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## LEGISLATIVE HISTORY

S. 1968  
Wheat - Vetoed

## TABLE OF CONTENTS

Index and summary of S. 1968 . . . . .	1
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## INDEX AND SUMMARY OF S. 1968

- April 28, 1959 Rep. Albert introduced H. R. 6737 which was referred to the House Agriculture Committee. Print of bill as introduced.
- April 29, 1959 House subcommittee ordered H. R. 6737 reported.
- May 13, 1959 House committee ordered H. R. 6737 reported with amendment.
- Senate received President's message on wheat. Senate Document No. 27. Print of document.
- May 14, 1959 House received President's message on wheat.
- Rep. Cooley introduced H. R. 7118 which was referred to the House Agriculture Committee. Print of bill as introduced.
- House committee granted permission to file report by midnight May 15th.
- May 15, 1959 House committee met in executive consideration of H. R. 7118.
- Senate committee ordered reported an original bill, and was granted permission to report the bill by May 18th.
- May 18, 1959 Senate committee reported an original bill, S. 1968. S. Report No. 295. Print of bill and report.
- May 19, 1959 House committee approved provisions of H. R. 7118, and directed Rep. Cooley to introduce a clean bill.
- Rep. Cooley introduced H. R. 7246 which was referred to the House Agriculture Committee. Print of bill as introduced.
- May 20, 1959 Senate passed over S. 1968 at the request of Sen. Engle.
- Sen. Capehart submitted and discussed amendments to S. 1968. Copy of amendments (in the nature of a substitute).
- Excerpts from a release issued by House Agriculture Committee on provisions of H. R. 7246.





INDEX AND SUMMARY OF S. 1968, cont'd:

- May 21, 1959 Senate began debate on S. 1968.
- House committee voted to report H. R. 7246, amended and in lieu of H. R. 7118.
- Sen. Dirksen submitted his proposed amendment in the nature of a substitute for S. 1968, including a three year extension of Public Law 480.
- May 22, 1959 Senate passed S. 1968 with amendments.
- May 25, 1959 House committee reported H. R. 7246 with amendments. H. Report No. 384. Print of bill and report.
- June 4, 1959 Rules Committee voted to report (but did not actually report) resolution for the consideration of H. R. 7246.
- June 5, 1959 Rules Committee reported resolution for the consideration of H. R. 7246. H. Res. 285, H. Report No. 438. Print of resolution and report.
- June 8, 1959 Rep. Belcher introduced H. R. 7611 which was referred to the House Agriculture Committee. Print of bill as introduced.
- June 10, 1959 House began debate on H. R. 7246.
- June 11, 1959 House concluded debate on H. R. 7246.
- June 12, 1959 House passed S. 1968 with amendments in lieu of H. R. 7246. H. R. 7246 laid on the table due to the passage of S. 1968.
- Both Houses appointed conferees.
- June 16, 1959 Conferees met in executive session but took no action.
- June 17, 1959 Both Houses received conference report on S. 1968. H. Report No. 560. Print of report.
- Senate agreed to conference report.
- June 18, 1959 House rejected conference report on S. 1968. House agreed to motion to return bill to conference for further consideration.
- House conferees appointed.



INDEX AND SUMMARY OF S. 1968, cont'd:

- June 22, 1959 Senate receded from its disagreement to the amendment of the House.
- June 25, 1959 Senate received President's veto on S. 1968. S. Doc. 33. Print of document.





## DIGEST OF S. 1968 (Vetoed)

WHEAT PROGRAM. S. 1968, with respect to the 1960 and 1961 wheat crops, would have provided price support at 90 percent of parity; reduced each farm acreage allotment by 25 percent; required, as a condition of wheat price support, that the farm acreage of price supported crops be reduced below the 1957 and 1958 average by an acreage equal to the 25 percent reduction in the wheat acreage allotment; provided for a payment in kind for the acreage representing the 25 percent reduction, if such acreage is not harvested or grazed; provided that the acreage represented by the 25 percent reduction be ineligible for the conservation reserve; limited price support to the commercial area and, if marketing quotas were not disapproved, to cooperators; provided price support at 50 percent of parity to noncooperators, as well as co-operators, if marketing quotas were not disapproved; provided that if marketing quotas were disapproved, the minimum CCC sales price for wheat for unrestricted use would be 105 percent of 75 percent of parity, plus reasonable carrying charges; imposed penalties on the actual yield of the excess acres; increased the marketing penalty to 65 percent of parity; reduced the 15-acre exemption to the smaller of 12 acres or the highest acreage planted in 1957, 1958, or 1959; and removed the 30-acre limitation on the feed wheat exemption. The bill would have also made the following permanent changes in the law: provided a \$35,000 limitation on price support for wheat per producer per year; provided that in any case in which the wheat marketing excess for a farm is reduced to zero by reason of underproduction, the farm, county, and State would not receive an acreage history penalty by reason of the overplanting; based eligibility for voting in marketing quota referendums on compliance with allotments in the year in which the referendum was held (rather than on being subject to the quota being voted on); repealed the 200 bushel wheat marketing quota exemption; and repealed a requirement that an additional allotment list be kept by the county agent or local committee chairman.







86TH CONGRESS  
1ST SESSION

# H. R. 6737

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1959

Mr. ALBERT introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That title I of the Agricultural Act of 1949, as amended, is  
4       amended by adding the following new section:

5       “SEC. 106. Notwithstanding the provisions of section  
6       101 of this Act, for each of the 1960 and 1961 crops of  
7       wheat price support shall be made available as provided in  
8       this section. The support price for each such crop shall be  
9       85 per centum of the parity price therefor. Price support  
10      under this section shall be made available only if producers



1 have not disapproved marketing quotas for the crop. In case  
2 marketing quotas are disapproved, price support to coop-  
3 erators shall be as provided in section 101 (d) (3). Whether  
4 marketing quotas are approved or disapproved, price support  
5 shall be made available only if acreage allotments under the  
6 Agricultural Adjustment Act of 1938, as amended, are in  
7 effect and only to producers who comply with such farm  
8 acreage allotments for wheat.”

9 SEC. 2. Public Law 74, Seventy-seventh Congress, as  
10 amended, is amended effective with respect to the 1960 and  
11 subsequent crops of wheat as follows:

12 (a) Item (1) (7 U.S.C. 1340 (1) ) is amended to read  
13 as follows:

14 “(1) If a national marketing quota for wheat is in effect  
15 for any marketing year, farm marketing quotas shall be in  
16 effect for the crop of wheat which is normally harvested in  
17 the calendar year in which such marketing year begins.  
18 The farm marketing quota for any crop of wheat shall be  
19 the actual production of the acreage planted to such crop of  
20 wheat on the farm less the farm marketing excess. The  
21 farm marketing excess shall be an amount equal to double the  
22 normal yield of wheat per acre established for the farm  
23 multiplied by the number of acres planted to such crop of  
24 wheat on the farm in excess of the farm acreage allotment

1 for such crop unless the producer, in accordance with regula-  
2 tions prescribed by the Secretary and within the time pre-  
3 scribed therein, establishes to the satisfaction of the Secretary  
4 the actual production of such crop of wheat on the farm. If  
5 such actual production is so established the farm marketing  
6 excess shall be such actual production less the actual produc-  
7 tion of the farm wheat acreage allotment: *Provided, how-*  
8 *ever,* That the farm marketing excess shall be adjusted to  
9 zero if the total actual production on the farm does not  
10 exceed the normal production of the farm wheat acreage  
11 allotment. Actual production of the farm wheat acreage al-  
12 lotment shall mean the actual average yield per harvested  
13 acre of wheat on the farm multiplied by the number of acres  
14 constituting the farm acreage allotment. In determining the  
15 actual average yield per harvested acre of wheat and the  
16 actual production of wheat on the farm any acreage utilized  
17 for feed without threshing after the wheat is headed, or avail-  
18 able for such utilization at the time the actual production is  
19 determined, shall be considered harvested acreage and the  
20 production thereof in terms of grain shall be appraised in  
21 accordance with regulations prescribed by the Secretary and  
22 such production included in the actual production of wheat  
23 on the farm. The acreage planted to wheat on a farm shall  
24 include all acreage planted to wheat for any purpose and

1 self-seeded (volunteer) wheat, but shall not include any  
2 acreage that is disposed of prior to harvest in accordance  
3 with regulations prescribed by the Secretary.”

4 (b) Item (2) (7 U.S.C. 1340 (2) ) is amended by  
5 striking out “45” and inserting in lieu thereof “65”.

6 (c) Item (3) (7 U.S.C. 1340 (3) ) is amended to read  
7 as follows:

8 “(3) The farm marketing excess for wheat shall be  
9 regarded as available for marketing, and the penalty and the  
10 storage amount or amounts of wheat to be delivered to the  
11 Secretary shall be computed upon double the normal produc-  
12 tion of the excess acreage. If the farm marketing excess  
13 so computed is adjusted downward on the basis of actual  
14 production as heretofore provided the difference between the  
15 amount of the penalty or storage computed on the basis of  
16 double the normal production and as computed on actual  
17 production shall be returned to or allowed the producer or a  
18 corresponding adjustment made in the amount to be de-  
19 livered to the Secretary if the producer elects to make such  
20 delivery. The Secretary shall issue regulations under which  
21 the farm marketing excess of wheat for the farm shall be  
22 stored or delivered to him. Upon failure to store, or deliver  
23 to the Secretary, the farm marketing excess within such  
24 time as may be determined under regulations prescribed by  
25 the Secretary the penalty computed as aforesaid shall be



1 paid by the producer. Any wheat delivered to the Secre-  
2 tary hereunder shall become the property of the United  
3 States and shall be disposed of by the Secretary for relief  
4 purposes in the United States or foreign countries or in such  
5 other manner as he shall determine will divert it from the  
6 normal channels of trade and commerce."

7 (d) Item (7) (7 U.S.C. 1340 (7)) is amended to read  
8 as follows:

9 "(7) A farm marketing quota on any crop of wheat  
10 shall not be applicable to any farm on which the acreage  
11 planted to wheat for such crop does not exceed fifteen acres:  
12 *Provided, however,* That a farm marketing quota on the  
13 1960 and 1961 crops of wheat shall be applicable to any  
14 farm on which the acreage of wheat exceeds twelve acres  
15 and to any farm on which wheat is planted if no wheat was  
16 planted on such farm for harvest in the marketing years  
17 1957, 1958, and 1959."

18 SEC. 3. Item (12) of Public Law 74, Seventy-  
19 seventh Congress, as amended (7 U.S.C. 1340(12)) is  
20 hereby repealed effective beginning with the 1960 crop of  
21 wheat.

22 SEC. 4. The Agricultural Adjustment Act of 1938, as  
23 amended, is amended as follows:

24 (a) Section 334 is amended by inserting "(1)" after

1 “(c)” and adding a new subparagraph (2) following sub-  
2 paragraph (c) (1) to read as follows:

3 “(2) Notwithstanding any other provision of law, each  
4 old or new farm acreage allotment for the 1960 and 1961  
5 crops of wheat as determined on the basis of a minimum na-  
6 tional acreage allotment of fifty-five million acres shall be  
7 reduced by 20 per centum. In the event notices of farm  
8 acreage allotments for the 1960 crop of wheat have been  
9 mailed to farm operators prior to the effective date of this  
10 subparagraph (2) new notices showing the required reduc-  
11 tion shall be mailed to farm operators as soon as practicable.”

12 (b) Section 334 is further amended by inserting a new  
13 paragraph (d) between paragraphs (c) and (e) to read  
14 as follows:

15 “(d) For the purposes of paragraphs (a), (b), and  
16 (c) of this section any farm on which the farm marketing  
17 excess is adjusted to zero because of underproduction pur-  
18 suant to applicable provisions of law shall be regarded as a  
19 farm on which the entire amount of the farm marketing  
20 excess has been delivered to the Secretary or stored in ac-  
21 cordance with applicable regulations to avoid or postpone  
22 the payment of the penalty.”

23 (c) Subsection (f) of section 335 is amended by  
24 striking out the semicolon at the end of item (1) and add-

1 ing "and shall not apply to other farms with respect to the  
2 1960 and 1961 crops;".

3 (d) Section 336 is amended to read as follows:

4 "SEC. 336: Between the date of issuance of any procla-  
5 mation of any national marketing quota for wheat and July  
6 25 of the year in which the proclamation is made the Secre-  
7 tary shall conduct a referendum by secret ballot to determine  
8 whether farmers favor or oppose such quota. Farmers eli-  
9 gible to vote in such referendum shall be farmers who were  
10 engaged in the production of the crop of wheat normally  
11 harvested in the calendar year immediately preceding the  
12 calendar year in which the referendum is held on a farm that  
13 was not exempted from farm marketing quotas on such crop  
14 of wheat under applicable provisions of law. Any acreage  
15 considered as being devoted to wheat in establishing future  
16 allotments under applicable provisions of law shall be con-  
17 sidered as wheat-producing acreage for the purpose of de-  
18 termining eligibility to vote. If the Secretary determines  
19 that more than one-third of the farmers voting in the referen-  
20 dum oppose such quota he shall prior to the effective date  
21 of such quota by proclamation suspend the operation of the  
22 national marketing quotas with respect to wheat".

23 (e) Section 362 is amended by deleting the second  
24 sentence thereof.



1        SEC. 5. Subsections (b) and (c) of section 335 of the  
2    Agricultural Adjustment Act of 1938, as amended, are here-  
3    by repealed and subsection (d) of said section is repealed  
4    effective beginning with the 1960 crop of wheat.

86TH CONGRESS  
1ST Session

H. R. 6737

## A BILL

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

By Mr. ALBERT

APRIL 28, 1959

Referred to the Committee on Agriculture





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued April 30, 1959  
For actions of April 29, 1959  
86th-1st, No. 67

Air pollution.....9		
Appropriations.....8		
Buildings.....28		
Claims.....4		
Corn.....24		
Cotton.....22		
Dairy industry.....2,26		
Electrification.....1,23		
Exhibits.....27		
Fair trade.....25		
Foreign aid.....17	Personnel.....11	Soil conservation.....21
Forestry.....18	Price support.....29	Surplus commodities.....13
Lands.....3,19	REA loans.....1,23	Tariffs.....1
Legislative program.....20	Reciprocal trade.....1	Trade fairs.....32
Milk.....12,20,29	Reclamation.....7,14,19,20	Water compact.....10
National flower.....6,31	Research.....13,20,24	Water pollution.....16
Natural resources.....15	Retirement.....11	Wheat.....5,30

HIGHLIGHTS: House subcommittee ordered reported wheat bill. Senate debated second supplemental appropriation bill. House agreed to consider veto of REA loan approval bill on Thursday. Rep. Johnson, Wisc., urged enactment of dairy income stabilization program.

## HOUSE

1. ELECTRIFICATION. Received from the President the veto message on S. 144, to give the REA Administrator additional authority over the approval of loans, and agreed to consider it today, Apr. 30. pp. 6321-2

Rep. Lane criticized certain aspects of reciprocal trade, stated that American industry is being "undermined" because "an agency of the Federal Government does not have the authority under existing law to insist that the recipients of its loans shall 'Buy American,'" referred to an REA loan to a Texas cooperative, part of which money was used to buy a Swiss generator, and urged that tariffs be raised "for the protection of our imperilled industries." pp. 6397-8.

2. DAIRY INDUSTRY. Rep. Johnson, Wisc., criticized the Secretary for spending "\$5 for every \$1 spent by his predecessors" while "net farm income has fallen from \$15.3 billion in 1952 to \$13.2 billion in 1958," stated that the dairy farmer was "one of the lowest men on the farm income totem pole," and discussed his dairy marketing bill to "establish the support level of 90% of parity for butterfat and manufacturing milk," to establish "a system of marketing quotas," and to give the milk producers an opportunity to vote on acceptance of the plan. p. 6379



3. PUBLIC LAND. Received from Interior a proposed bill "to authorize the classification, segregation, and disposal of public lands chiefly valuable for urban and business purposes"; to the Interior and Insular Affairs Committee. p. 6399
4. CLAIMS. The Judiciary Committee reported with amendment H. R. 6000, to increase the limit for administrative settlement of claims against the U. S. under the tort claims procedure to \$3,000 (H. Rept. 323). p. 6399
5. WHEAT. The Daily Digest said "the Wheat Subcommittee of the Agriculture Committee met in executive session and ordered favorably reported to the full committee H. R. 6737 (amended), to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74 (75th Cong.), as amended." p. D299
6. NATIONAL FLOWER. Rep. Price inserted a poem on the corn tassel and Rep. Rogers urged adoption of the carnation as the national flower. pp. 6383, 6394
7. RECLAMATION. This office has obtained, for reference and lending purposes, a few copies of a "committee print" of the House Committee on Interior and Insular Affairs, "Reclamation -- Accomplishments and Contributions." The publication was prepared by the Legislative Reference Service, at the request of several committee members, for the specific purpose of setting forth the favorable aspects of the reclamation program. The introduction states: "It presents a factual account of the achievements and contributions of the Federal reclamation program, including its history and background; physical accomplishments; contributions to the local, western, and national economies; feasibility, including costs and repayment; cooperation and coordination with local, State, and other Federal agencies; and a comparison of the reclamation program with other Federal public works programs."

SENATE

8. SECOND SUPPLEMENTAL APPROPRIATION BILL. Continued debate on this bill, H. R. 5916. No action was taken on items affecting this Department. pp. 6276-81, 6282-6, 6292-3, 6305-11
9. AIR POLLUTION. Passed with amendments S. 441, to continue for four years, until July 1, 1964, the Federal air-pollution control law. pp. 6264-7
10. WATER COMPACT. Passed without amendment S. 548, to grant the consent of Congress to a Great Lakes Basin Compact for the development and use of the water of the basin. pp. 6273-5
11. PERSONNEL. At the request of Sen. Engle, passed over S. 91 and H. R. 460, to limit to cases involving the national security the prohibition on payment of retirement annuities to Federal employees. pp. 6262, 6268
12. MILK. At the request of Sen. Engle, passed over S. 1289, to increase and extend the special milk program for children. p. 6269  
At the request of Sen. Engle, passed over S. 753, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups. pp. 6269, 6276
13. RESEARCH, SURPLUS COMMODITIES. At the request of Sen. Keating, passed over S. 690, to provide for research on increased use of agricultural products for industrial purposes. p. 6269







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued May 14, 1959  
For actions of May 13, 1959  
86th-1st, No. 76

Alaska.....	6...
Appropriations.....	16
Atomic radiation.....	12
Committees.....	21
Education.....	14
Eggs.....	2
Electrification.....	17,20
Farm program.....	8
Foreign affairs.....	13
Foreign currencies.....	9
Forestry.....	11
Highways.....	7
Housing.....	7
Military construction.....	9
Organization.....	3
Personnel.....	21
Postal rates.....	19
Poultry.....	2
President's message.....	7
Property.....	4,14
Reclamation.....	5
Soil bank.....	8
Surplus commodities.....	9
Taxes.....	10
Transportation.....	10,15
Watersheds.....	18
Wheat.....	1,7

HIGHLIGHTS: House committee ordered reported bill to set price supports at 90% of parity on wheat. Senate received President's message on wheat, housing, and highways. Sen. Aiken and others defended farm program against recent attacks. House committee adopted resolution urging purchase, diversion, and export of eggs and poultry products. House committee ordered reported bill to extend Reorganization Act.

## HOUSE

1. WHEAT. The Agriculture Committee ordered reported with amendment H. R. 6737, which would set price supports on wheat at 90% of parity with acreage allotment reductions of 30%. p. D349
2. POULTRY AND EGGS. The Agriculture Committee adopted a resolution requesting the Secretary "to review all existing authority and available funds with the purpose of immediately and fully implementing in every practical manner such programs of purchase, diversion, and export of eggs and poultry products as will lead to improvement in the present critical situation in the poultry industry." p. D349
3. ORGANIZATION. The Government Operations Committee ordered reported with amendment H. R. 5140, to extend the Reorganization Act of 1949. p. D350
4. PROPERTY. The Government Operations Committee ordered reported with amendment S. 900, to extend the authority of GSA to pay direct expenses in connection with the utilization of excess real property and related personalty. p. D350
5. RECLAMATION. The Interior and Insular Affairs Committee ordered reported H. R. 5687 (amended and a clean bill will be introduced), to construct the San Luis unit of the Central Valley project, California. p. D350

6. ALASKA. The Interior and Insular Affairs Committee ordered reported with amendment H. R. 6091, to amend certain laws of the U. S. in light of the admission of the State of Alaska into the Union. p. D350

SENATE

7. PRESIDENT'S MESSAGE. Received from the President a message urging Congress to take prompt action to enact legislation dealing with the wheat, housing, and highway situations. pp. 7210-12
- Sen. Dirksen commended the President's message and urged Congress to enact legislation to carry out his recommendations. pp. 7211-12
8. FARM PROGRAM. Sen. Aiken defended the farm program against recent attacks by "newspaper and magazine articles, business organizations, some Government officials, and many individuals" as having "cast confusion and suspicion into the public mind," discussed the background and importance of the farm program to the nation, urged enactment of new legislation "to correct abuses and to put us on a sounder and more practical basis," and contended that "It is time to lay aside spite and prejudice, to take farm policies out of politics and to concentrate on maintaining, improving, and modernizing farm programs before it is too late." pp. 7219-23
- Sens. Carlson, Mansfield, and Williams, Del., commended Sen. Aiken's statement and his service to agriculture. pp. 7221-2
- Sen. Williams, Del., inserted a newspaper article, "Land Leased at 25 Cents Per Acre, \$8 Gained From Soil Bank -- Huge New Mexico Farm Profits Bared," discussing the practice of individuals leasing land from the State and placing it in the soil bank at a profit, including reference to one employee of this Department who has participated in this practice. pp. 7222-3
9. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. The Armed Services Committee ordered reported with amendment H. R. 5674, the military construction authorization bill, which includes authorization for the use of foreign currencies accumulated under Public Law 480 for foreign military housing. pp. D347-8
10. TRANSPORTATION TAXES. The Interstate and Foreign Commerce Committee "adopted a committee resolution favoring passage of S. 5, to repeal the tax on transportation of persons." p. D348
11. FORESTRY. Sen. Neuberger inserted an article by the assistant ranger for the Klamath District of the Forest Service, "Timber Resources on Our National Forests Play Big Part in U. S. Economy," discussing sustained yield and multiple use forest practices. pp. 7213-14
12. ATOMIC RADIATION. Sen. Bridges inserted an editorial, "Fallout in Perspective," discussing the danger of radiation from atomic fallout. pp. 7214-5
13. FOREIGN AFFAIRS. Sen. Sparkman inserted an address by the Commissioner-General for Economic Affairs of India, "India's Developments: Problems and Programs," discussing the need for the economic development of that country. pp. 7200-02
14. EDUCATION; PROPERTY. Received from the Department of Health, Education, and Welfare a proposed bill "to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property"; to Labor and Public Welfare Committee. p. 7186



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LEGISLATIVE RECOMMENDATIONS

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M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

RECOMMENDATIONS FOR THREE MATTERS REQUIRING URGENT  
CONSIDERATION AND ACTION WITH REFERENCE AS FOLLOWS:

RECOMMENDATION NO. 1—FINANCE COMMITTEE

RECOMMENDATION NO. 2—BANKING AND CURRENCY COM-  
MITTEE

RECOMMENDATION NO. 3—AGRICULTURE AND FORESTRY  
COMMITTEE

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MAY 13, 1959.—Read and ordered to be printed

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*To the Congress of the United States:*

In making my legislative recommendations in January of this year I called to the particular attention of the Congress three matters requiring urgent consideration and action. It is now some 4 months since I made these recommendations and to date the Congress has dealt finally with none of them. On one, it has taken no action at all.

These recommendations were as follows:

1. To avert a serious disruption of the Interstate Highway program due to an impending deficit in the highway trust fund, I recommended a temporary increase in the Federal tax on motor fuels;

2. To avoid the possibility of a serious interruption in home-building, I recommended an increased authorization for the insuring of home mortgages by the Federal Housing Administration;

3. To halt the accelerated buildup of surplus agricultural commodities and to reduce those stocks and their ever-mounting cost to the taxpayer, I recommended corrective legislation.

Since these recommendations were made, time has grown steadily shorter and the problems occasioned by the lack of action in the Congress increasingly critical.

#### HIGHWAY TRUST FUND

In setting up the Interstate Highway program in 1956, the Congress provided that it be conducted on a pay-as-you-go basis and, to accomplish this purpose, established the highway trust fund. Motor fuels and other highway user taxes are paid into this fund, and Federal grants, amounting to 90 percent of the cost of building the Interstate Highway System, are paid to the States out of the fund.

Legislation enacted last year, however, has increased the rate at which money is being spent from the fund and nothing has been done to put more money into the fund. Because the law wisely requires that the fund's expenditures not exceed its receipts, it will be impossible this year, without congressional action, to apportion funds so that the States may make commitments for future highway construction. Apportionments in the following year would also be far below those needed to carry forward the roadbuilding schedule now contemplated by law.

To keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule, I recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1 of this year.

The recent suggestion that receipts from the manufacturers' excise tax on automobiles be earmarked for the trust fund is an unsatisfactory alternative. The transfer of those receipts, running about a billion dollars a year, from the general fund to the highway trust fund would mean only that the problem would then be to raise new taxes to replenish the loss to the general fund.

An even more unsatisfactory alternative, proposed by some, would be legislation to waive the pay-as-you-go requirement. This would only be a refusal to face reality—one that the Congress would be hard put to explain. Less than 3 years ago, as a matter of legislative policy, the Congress declared in the Highway Revenue Act of 1956 that if it ever appears that the trust fund's total receipts will be less than its total expenditures—

the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures.

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

#### HOUSING

In January I urged the enactment of emergency legislation to increase by \$6 billion the Federal Housing Administration's authority to insure privately extended home mortgages.

This recommendation has not been enacted. The height of the homebuilding season is upon us, builders must plan ahead, and the agency's insurance authority is in danger of being exhausted.

The \$6 billion increase in authority involves no Federal spending and FHA's operations are self-supporting.

Because it could see that its authority was running out, the agency late last year, where it could, began issuing agreements to insure in the future provided it then actually had authority remaining. By thus substituting provisional agreements for actual commitments, the agency has been able to avoid an abrupt halt in its operations due to a lack of insurance authority.

Although the agency may be able to continue on this temporary basis until June 30, the end of the fiscal year, the situation grows more precarious every day. The agency's outstanding agreements to insure in the future now exceed \$3 billion, more than twice the amount of the agency's remaining authority to make actual insurance commitments.

To avoid the possibility of a serious interruption in homebuilding all across America, sound congressional action in this area is urgently needed.

#### WHEAT

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing issue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

The most dramatic failure of all—and the problem requiring the most urgent attention—is the wheat program. Surplus wheat stocks are already  $2\frac{1}{2}$  times our annual domestic consumption for food. By July 1 of next year these stocks are expected to reach 1.5 billion bushels and to involve an investment of \$3.5 billion by the Federal Government. Wheat storage, handling and interest charges alone will cost the American taxpayer close to half a billion dollars in the next fiscal year. Final proof of the present program's utter failure to control production lies in the fact that the last wheat crop was the largest in history.

Because the Secretary of Agriculture is required by law to announce a continuation of this thoroughly discredited program by the 15th of May, in January I urgently recommended corrective legislation. The deadline set by law is now only 2 days away. No such legislation has been passed.

I understand that at this late hour the Congress has elected further to postpone its decision by briefly extending the deadline for announcing next year's wheat program. Having chosen this course, the Congress should use this added time to enact realistic and constructive legislation that will effectively avert the impending disaster in wheat.

\* \* \*

I am compelled once again to call these particular matters to the special attention of the Congress because the orderly and efficient conduct of the people's business so requires. I urge the Congress to act expeditiously in these critical areas.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 13, 1959.





Colombia and other Caribbean lands as well as the United States, which successfully rid Panama recently of the Cuban marauders, and similar situations may yet develop in Haiti, the Dominican Republic, Nicaragua, and elsewhere.

Senator SMATHERS' suggestion calls to mind another worthy proposal made to the OAS itself by former Costa Rican Ambassador Gonzalo Facio.

Dr. Facio felt that the cost of hemisphere defense arms furnished to South American nations by the United States was an undue burden on these relatively impoverished economies. Furthermore, he questioned the usefulness of much of the materiel in a missile and nuclear bomb age. He thought that the money spent for obsolete arms and equipment could be better spent on social services or capital development.

His plan got little editorial support except this newspaper's. There was almost no feeling for it among OAS delegates and Luis Quintanilla, Mexico's delegate at the time, opposed it on the silly grounds that it was a United States inspired maneuver to disarm our neighbors.

Senator SMATHERS' proposal, if adopted and implemented, would provide a means of controlling irresponsible inter-American aggressions without raising the nasty bugaboo of intervention by any single state.

Senator SMATHERS said a great many other useful things in his speech. Noting the truism that the United States is such a huge customer of the other American republics that any controls we impose have immediate and drastic effect on their economies, he suggested that this placed the United States under an obligation to exercise a great care in setting up quotas on imports, raising tariffs and generally tampering with the free flow of goods.

He also said that the best sort of aid we can give our underdeveloped sister nations is technical aid to help them make good use of their own riches.

This is an area in which the Senator can be of great help by persuading members of his own party to vote for the administration's foreign aid program. The Democrats seem to have narrowed their vision substantially in reference to foreign aid and shortened it, too.

In the long run, economically depressed neighbors will always be a liability—for all concerned, including ourselves; on the other hand, a wealthier, developed, and expanding South America is good for them, for us, and for the world.

#### GRASSROOTS CAMPAIGN AGAINST INFLATION

Mr. MUNDT. Mr. President, one of the great economic dangers confronting the Nation in this great era of expansion to which we often refer as the space age is the threat of inflation.

The fight against inflation is not being carried on by only a handful of citizens. Reaction against excessive Government spending and deficit budgeting procedures is coming in from all sections of the country.

Americans in every walk of life are concerned, and rightfully so, over the depreciation of our dollar that has occurred in the past several years. Now, for the first time in many a month, our citizens see an opportunity further to stabilize the dollar.

And they look to Congress to take action that will enhance opportunities to create the proper economic atmosphere

to promote national development without feeding fuel to the fires of inflation.

An example of the constructive efforts being made at the grassroots level to inform the public of the need for a realistic approach to and understanding of the threat to our economic life posed by inflation, are the thoughtful editorials of newspaper editors throughout the country including my home State of South Dakota.

The editors are performing a service in the public interest by telling the story of what inflation means and what it can do to a nation's fiscal system. I want to bring to the attention of my colleagues at this time an editorial from the *Aberdeen American-News*, one of our outstanding daily newspapers in South Dakota, edited by Henry Schmitt and E. J. Karrigan.

The *American-News* has devoted a number of its editorials to the threat of inflation, and I ask that the most recent contribution to discussion of this important topic be included in the *RECORD* at this point.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

#### MUST STOP INFLATION TO PROTECT UNITED STATES

Although the Chamber of Commerce of the United States at its recent annual meeting in Washington was addressed by President Eisenhower and many other leaders in Government the speech that attracted the most favorable comment was by a layman.

He is William A. McDonnell, a St. Louis businessman, and his speech was about inflation which he said is the Nation's number one domestic problem.

The information for his speech was obtained while he toured the country as president of the National Chamber.

"We hear on every hand," he said, "that it is the duty of the Government to provide for the welfare of the people. That is true, but the greatest benefit any nation can provide for its people is a stable currency."

A stable currency, he said, would:

Prevent further inflationary theft from those with fixed or lagging income.

Benefit those who depend on social security.

Protect the value of our savings accounts and insurance policies.

Encourage thrift and the formation of investment capital.

Enable business to expand more boldly and so provide more jobs.

"In a word," he explained, "a stable dollar would protect the little people \* \* \* the very ones who are supposed to be helped the most by the so-called Federal aid programs."

Persons who are impressed by the wisdom of the middlewestern businessman's appraisal should write to their Representatives in Washington and let them know that inflation must not be allowed to ruin opportunities in the United States.

#### J. EDGAR HOOVER AND THE FBI

Mr. DODD. Mr. President, I was unavoidably absent from the Senate floor on May 11, and was therefore unable to pay a deserved tribute to J. Edgar Hoover on the occasion of his 35th anniversary as Director of the Federal Bureau of Investigation.

I speak of J. Edgar Hoover and the FBI first with the gratitude and ad-

miration which all thoughtful Americans must feel for this great man and this splendid Bureau, and secondly with the personal attachment and pardonable pride of one who was a member of the FBI and who learned the ground rules of public service in that organization.

It was my privilege to serve under J. Edgar Hoover as a special agent, to benefit from the training programs which he instituted, to be exposed to the ideals of public service, self-sacrifice, and patriotism which permeate his Bureau, and to experience the atmosphere of dedication to the traditions of this country which he inspired.

Later on, as a special assistant to the U.S. Attorney General, working daily with the FBI in fields ranging from civil liberties to espionage, I had additional cause to appreciate and be thankful for the thoroughness of investigation, the mastery of detail, the unsurpassed standards of performance of the FBI.

Thirty-five years ago the FBI was a minor agency of Government, riddled with scandal, marred with political favoritism and threatened with abolition. Today it occupies a preeminent position in the fields of law enforcement and the protection of our national security. The principal credit for this achievement belongs to J. Edgar Hoover.

He gave the leadership, established the standards, and provided the personal inspiration which brought about this transformation.

His insistence upon thorough mastery of detail and scientific methods of investigation, his stress upon training programs and uniform methods of reporting has had an exemplary influence upon State and local police systems and has brought law enforcement ever closer to the status of a true science.

During an era in which Americans in important places reacted to the threat of subversion by calling for abrogations of constitutional rights, J. Edgar Hoover insisted upon complete observance of the spirit and the letter of those rights.

Having established great prestige for the FBI, he refused to squander it by indulging in political disputes or forays. Executive police officials in other countries have been the focus of political intrigue. Not so with J. Edgar Hoover.

He has successfully resisted demands to have the FBI usurp the tasks of State and local police, and thus become a national police force.

The list of J. Edgar Hoover's accomplishments are many, but two achievements overshadow all others.

Under his leadership, the FBI has proved that a law enforcement agency can reach the pinnacle of effectiveness and success without resorting to brutality, violating due process of law, or engaging in other unethical practices.

And he has demonstrated that a democratic society can develop effective methods of controlling subversion and protecting its security that do not involve the destruction of essential constitutional freedoms.

Mr. Hoover's leadership of the FBI spans a period of domestic and interna-



tional upheaval unparalleled in history. Through recurring panics and hysteria, through radical swings of political sentiment, through all the shifting currents of peace and war, J. Edgar Hoover has provided a steady leadership which makes his name and his organization synonymous with devotion to the public interest and dedication to the ideals which gave birth to this Nation and which have motivated it in its finest hours.

All honor to him on this anniversary. A grateful Nation hopes that there will be many more.

Mr. KEATING. Mr. President, in a recent issue of the *Government Standard*, the publication of the American Federation of Government Employees, a fine tribute to the Federal Bureau of Investigation and its Director was paid. The salute came from AFGE's national president, James Campbell, who based his statement on a tour of the FBI and his organization's long years of experience in dealing with J. Edgar Hoover and other personnel of this fine agency.

At a time when some people are taking potshots at the FBI and seeking to discredit the essential and important work it is carrying out in such admirable fashion, and particularly because Mr. Hoover recently celebrated his anniversary as Director, Mr. Campbell's words deserve close study and a wide readership. I therefore ask unanimous consent to have this article printed in the *RECORD*.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

[From the *Government Standard*, Apr. 17, 1959]

#### MODERN FBI METHODS OBSERVED BY CAMPBELL

Take it from AFGE national president, James Campbell, any lawbreaker who tangles with the FBI is due to come off second best.

On a recent visit to the Federal Bureau of Investigation, Campbell had an opportunity to get a firsthand look at some of the crime detection techniques that have made the FBI such an efficient law enforcement agency.

Special Agent George Medler, president of FBI Lodge 334, and Cartha De Loach, of the Crime Records Division, coordinated Campbell's visit. Special Agent Edward L. Campbell, Jr.—no relation to President Campbell—led the way on a tour of some of the FBI's activities.

One of the FBI's best known functions is the maintenance of a huge fingerprint file. The file contains some 151 million prints and is added to at the rate of approximately 20,000 a day.

Fingerprints are useful for identification purposes in many circumstances not involving crime. Sometimes the FBI fingerprint file is the only means of identification following an accident or disaster.

The AFGE president was shown a rack of panels painted with the identical paint used by auto manufacturers. If a car is scratched with an ordinary pin the FBI can examine the paint left on the pinpoint and identify the car it came from.

Police from all over the country send things to the FBI for analysis and identification. Mr. Campbell was shown a blood-stained automobile cushion that was sent in to find out whether the stain was made by human or animal blood.

After returning from his tour of the FBI, Campbell issued the following statement about the Bureau and its Director, J. Edgar Hoover:

J. Edgar Hoover, the director of the Federal Bureau of Investigation, is an outstanding civil servant who has dedicated the past 42 years of his life to the protection of the law-abiding citizens of this Nation.

All of us can take pride in the achievement of Mr. Hoover and his organization.

The outstanding services of the FBI in time of national crises are well known. During World War II the FBI effectively thwarted foreign-directed sabotage in the United States without a breakdown in the respect and safeguards for civil rights.

In the past there have been some efforts to discredit the FBI and Mr. Hoover. As the head of a government employees' union which is dedicated to improving the career service, I commend Mr. Hoover and the other devoted Federal employees who serve under him. The FBI's record continues to speak for itself despite the efforts of certain self-seeking individuals and groups to tarnish it through the use of falsehoods, half-truths and innuendo.

The FBI has always been in the forefront of the fight against communism and has fought steadfastly to prevent the infiltration and destruction of the merit system.

It is also required to conduct investigations where there are allegations of disloyalty or subversive activity among government workers. These investigations, designed to protect the Government service, have been conducted in such a way as to protect the rights of individuals and in many instances false allegations of disloyalty were effectively brought to light.

As president of the AFGE, I urge all our members to remain alert for any smear tactics aimed at discrediting the loyal and devoted group of fellow government employees in the FBI and all other departments and agencies who serve us and the Nation.

Mr. JAVITS. Mr. President, will my colleague yield?

Mr. KEATING. I am very happy to yield to my colleague.

Mr. JAVITS. I wish to associate myself with the fine comments my colleagues has made with respect to J. Edgar Hoover; especially, as we are both lawyers, for his lawyerlike approach to his work, with his deep understanding of the need for the preservation of the constitutional freedoms which are involved in his work. That is one of the most gratifying aspects of his service to the country.

Mr. KEATING. I appreciate the remarks of my distinguished senior colleague.

#### PLANS FOR MEMORIAL DAY WEEKEND

Mr. DIRKSEN. Mr. President, I should like to ask the acting majority leader whether any plans have been consummated with respect to the weekend which encompasses Memorial Day. As I understand, Memorial Day falls on a Saturday this year, and I would assume that normally, since Members of the Senate like to make arrangements for speeches back home, the Senate would adjourn or recess from Thursday until Monday.

Mr. MANSFIELD. Mr. President, I cannot speak for myself, but before leaving the city, the majority leader told me that it was his intention, if at all possible, and barring anything unusual or unforeseen, to have the Senate go over from the preceding Thursday to

the following Monday, thereby taking into consideration the needs of Members who may desire to make speeches or who have engagements on Memorial Day.

Mr. DIRKSEN. I thank the acting majority leader.

#### RECOMMENDATIONS FOR PROPOSED LEGISLATION BEFORE CONGRESS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. PROXMIER in the chair) laid before the Senate the following message from the President of the United States, which was read as follows:

#### To the Congress of the United States:

In making my legislative recommendations in January of this year I called to the particular attention of the Congress three matters requiring urgent consideration and action. It is now some 4 months since I made these recommendations and to date the Congress has dealt finally with none of them. On one, it has taken no action at all.

These recommendations were as follows:

1. To avert a serious disruption of the interstate highway program due to an impending deficit in the highway trust fund, I recommended a temporary increase in the Federal tax on motor fuels;

2. To avoid the possibility of a serious interruption in homebuilding, I recommended an increased authorization for the insuring of home mortgages by the Federal Housing Administration;

3. To halt the accelerated build-up of surplus agricultural commodities and to reduce those stocks and their ever mounting cost to the taxpayer, I recommended corrective legislation.

Since these recommendations were made, time has grown steadily shorter and the problems occasioned by the lack of action in the Congress increasingly critical.

#### HIGHWAY TRUST FUND

In setting up the interstate highway program in 1956, the Congress provided that it be conducted on a pay-as-you-go basis and, to accomplish this purpose, established the highway trust fund. Motor fuels and other highway user taxes are paid into this fund, and Federal grants, amounting to 90 percent of the cost of building the Interstate Highway System, are paid to the States out of the fund.

Legislation enacted last year, however, has increased the rate at which money is being spent from the fund and nothing has been done to put more money into the fund. Because the law wisely requires that the fund's expenditures not exceed its receipts, it will be impossible this year, without congressional action, to apportion funds so that the States may make commitments for future highway construction. Apportionments in the following year would also be far below those needed to carry forward the road-building schedule now contemplated by law.



To keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule, I recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1 of this year.

The recent suggestion that receipts from the manufacturers' excise tax on automobiles be earmarked for the trust fund is an unsatisfactory alternative. The transfer of those receipts, running about a billion dollars a year, from the general fund to the highway trust fund would mean only that the problem would then be to raise new taxes to replenish the loss to the general fund.

An even more unsatisfactory alternative, proposed by some, would be legislation to waive the pay-as-you-go requirement. This would only be a refusal to face reality—one that the Congress would be hard put to explain. Less than 3 years ago, as a matter of legislative policy, the Congress declared in the Highway Revenue Act of 1956 that if it ever appears that the trust fund's total receipts will be less than its total expenditures "the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures."

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

#### HOUSING

In January I urged the enactment of emergency legislation to increase by \$6 billion the Federal Housing Administration's authority to insure privately extended home mortgages.

This recommendation has not been enacted. The height of the homebuilding season is upon us, builders must plan ahead and the agency's insurance authority is in danger of being exhausted.

The \$6 billion increase in authority involves no Federal spending and FHA's operations are self-supporting.

Because it could see that its authority was running out, the agency late last year, where it could, began issuing agreements to insure in the future provided it then actually had authority remaining. By thus substituting provisional agreements for actual commitments, the agency has been able to avoid an abrupt halt in its operations due to a lack of insurance authority.

Although the agency may be able to continue on this temporary basis until June 30, the end of the fiscal year, the situation grows more precarious every day. The agency's outstanding agreements to insure in the future now exceed \$3 billion, more than twice the amount of the agency's remaining authority to make actual insurance commitments.

To avoid the possibility of a serious interruption in homebuilding all across America, sound congressional action in this area is urgently needed.

#### WHEAT

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing is-

sue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

The most dramatic failure of all—and the problem requiring the most urgent attention—is the wheat program. Surplus wheat stocks are already two and one-half times our annual domestic consumption for food. By July 1 of next year these stocks are expected to reach 1.5 billion bushels and to involve an investment of \$3.5 billion by the Federal Government. Wheat storage, handling and interest charges alone will cost the American taxpayer close to half a billion dollars in the next fiscal year. Final proof of the present program's utter failure to control production lies in the fact that the last wheat crop was the largest in history.

Because the Secretary of Agriculture is required by law to announce a continuation of this thoroughly discredited program by the 15th of May, in January I urgently recommended corrective legislation. The deadline set by law is now only two days away. No such legislation has been passed.

I understand that at this late hour the Congress has elected further to postpone its decision by briefly extending the deadline for announcing next year's wheat program. Having chosen this course, the Congress should use this added time to enact realistic and constructive legislation that will effectively avert the impending disaster in wheat.

I am compelled once again to call these particular matters to the special attention of the Congress because the orderly and efficient conduct of the people's business so requires. I urge the Congress to act expeditiously in these critical areas.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 13, 1959.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that recommendation No. 1, relative to the highway trust fund, be referred to the Committee on Finance; that recommendation No. 2, relative to the insuring of FHA mortgages, be referred to the Committee on Banking and Currency; and that recommendation No. 3, relative to surplus agricultural commodities, be referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I wish to make a rather succinct comment on the President's message. For a good many weeks, now, after the usual leadership conferences at the White House, I have spoken to our own policy committee, to other Senators, and to the press about the deep concern of the President over these three emergent programs—and I emphasize that all of them are emergent. When they were submitted in the first instance, they carried emergency tags: Namely, the shortage in the housing mortgage funds; the highway program, with an admitted \$240 million deficit on the 1st of July, 1959; and the wheat program, as to which we have undertaken to place on the calendar a

bill which proposes simply to defer the matter for a few weeks, but does not face up to reality.

These, then, are emergency programs, and there should have been action on them before now. The housing program, as I understand, is still held in the Committee on Rules of another body.

The highway program, so far as I know, has had no consideration and no action. I point out that highway construction costs, since the passage of the 1957 act, have mounted by almost \$11 billion. The so-called Byrd amendment, which requires that there be no deficit status in the fund, will make it impossible on the 1st of July to allocate any funds under that program, because of the \$240 million deficit. Of course, Congress can waive that requirement, as it has done before, but that still does not face up to the fact.

The same problem confronts us so far as wheat is concerned. As the President has pointed out, there is a surplus of 1,500 million bushels of wheat, which is equal to our requirements for a period of 2½ years. Once upon a time I was a baker, so I express the meaning of the surplus of wheat in terms of bread, because I understand it better that way. If 1,500 million bushels of wheat were apportioned on a per capita basis throughout the country, the amount would be approximately 9 bushels. I learned long ago in the baking business that 5 bushels of wheat are needed to produce a barrel of flour. Three hundred 1-pound loaves of bread can be made from a barrel of flour. So the present surplus of wheat is the equivalent of 550 1-pound loaves of tasty bread for every man, woman, and child in the United States of America, if this whole hoard of wheat could be devoted to that purpose.

Mr. President, this situation offers a great challenge to Congress. Because of the mandatory characteristics of existing law, this matter must have the attention of Congress. The sooner the better.

Mr. NEUBERGER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. I have been impressed by the remarks of the distinguished minority leader, particularly as they concern the deficit in the highway trust fund. I call his attention to the fact that a little more than 2 months ago I introduced a bill designed to carry out the President's recommendation to increase the Federal motor fuel tax from 3 cents to 4½ cents a gallon.

As a member of the Subcommittee on Roads and Highways of the Committee on Public Works, I further call the attention of the minority leader to one of the problems which confront us. Some 34 Governors of States, both of the Democratic Party and the Republican Party, have exerted strong pressure on the subcommittee not to authorize the increase in the motor fuels tax which the President has recommended. One Governor who has taken this position is the Republican Governor of my own State. Yet Oregon desperately needs the improvements which the highway trust fund will finance on U.S. Highways 30



and 99, both along the Interstate Network.

I agree with the minority leader and with the President that if the Federal Government is to provide 90 percent of the cost of the interstate roads, then the Federal Government has the right to increase the Federal share of the motor fuel tax. I think the 34 Governors who are opposing the increase recommended by the President are in the wrong and have taken an unsound position. They claim the motor fuels tax should be left to the States. I do not see how that position can be taken consistently when the States are perfectly willing to accept from the Federal Government 90 percent of the payment of the costs of the most expensive roads ever built anywhere in the United States.

So I wish to say that I concur with the minority leader and with the President of the United States that the Federal motor fuels tax should be increased from 3 cents a gallon to 4½ cents a gallon. It is my intention, if opportunity develops, to submit my tax bill as an amendment in the highway subcommittee, if there is available a suitable proposed legislative vehicle for doing so. Of course I understand that such a bill must originate in the House of Representatives.

I am firmly of the opinion that the Federal motor fuels tax should be increased from 3 cents a gallon to 4½ cents a gallon.

Mr. DIRKSEN. Mr. President, I am delighted to hear the distinguished Senator from Oregon make that statement.

As he has so well pointed out, the States are the recipients of 90 percent of the cost of this highway program. If, however, they compel it, and if there were no waiver of the so-called Byrd amendment, we have this choice, in the absence of further revenue: either to cut back the program in its entirety or to charge a larger share of the cost of the program to the States. I am sure the Governors would not like that at all.

Mr. NEUBERGER. It seems to me that certain of the Governors have taken a completely inconsistent position, because, on the one hand, they ask us to maintain the program; but, on the other hand, they oppose any increase in the tax to finance it.

So I agree with the President's recommendation for an increase in the motor fuels tax.

Mr. DIRKSEN. Mr. President, I conclude my comment by saying that these three items simply cry for action; and certainly the President has not been amiss in alerting the Congress to the need for action. Consequently, the responsibility rests upon us.

#### THE INTERNATIONAL HEALTH YEAR—HOPE FOR NEW HEALTH GAINS

Mr. NEUBERGER. Mr. President, the desire of plain people the world over for permanent peace and the devotion of public expenditures to projects which are aimed at the betterment of man, instead of his destruction, seem frequently to fail to reach fulfillment in realistic

projects which can provide graphic demonstration of the possibilities of international cooperation.

But today there is encouraging evidence that at least once such program will be achieved, to the benefit of all mankind. I refer to the International Health Year.

This proposal for an all-out worldwide attack on disease, through medical research and expansion of public-health practices, has gained support in countries on both sides of the Iron Curtain. It has received the backing of medical men and laymen alike, in all areas of the globe. The World Health Organization will take up the proposal this month.

As an enthusiastic supporter of the idea of an International Health Year, I have been pleased and encouraged by this response to this proposal, which was advanced originally by Adlai E. Stevenson in June of last year.

Mr. President, one of the principal leaders in promoting the concept of an International Health Year has been the able senior Senator from Minnesota [Mr. HUMPHREY]. Under his direction, the International Organizations Subcommittee of the Senate Committee on Government Operations has prepared a series of background studies which have aided significantly in enabling the Congress and the American public in their study of this program. In his public appearances and Senate speeches, he has effectively outlined the numerous benefits which can be derived from initiation of such a project.

Now, in the May 10, 1959, issue of This Week magazine, one of our most widely circulated periodicals, Senator HUMPHREY describes in clear and cogent terms the need for international cooperation in seeking the cause and cure of diseases which presently cause untold pain and economic loss. He points out the massive savings in lives and productivity which could result from a united effort to extend to underdeveloped areas modern techniques and knowledge which are available in this country and other nations with more developed economies. He notes that the IHY would serve as a springboard for new international joint efforts in medicine, permitting exchange of information and elimination of duplication.

Because Senator HUMPHREY's comments so vividly and succinctly sum up the numerous and needed gains which might be realized through an IHY, I ask unanimous consent that the text of his article in This Week magazine of May 10 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### IHY: OUR BEST HOPE TO STOP ATOMIC FALLOUT

(By Hon. HUBERT H. HUMPHREY, of Minnesota)

WASHINGTON.—This week, while the world's eyes are on the deliberations of the foreign ministers at Geneva, a meeting that may be even more important to your future is taking place in the same city. The 88 member nations of the World Health Organization are considering plans for an International Health and Medical Research Year. It could prove to be the most important year of your life.

The reason? IHY, as it is already nicknamed, is designed to attack problems so urgent and so universal that nothing short of a multinational effort offers hope of success.

In this category of problems, none is more immediate or more ominous than how to cope with nuclear radiation, the rays given off by the nucleus of a radioactive atom.

Atomic energy is both a miracle-maker and a monster-maker.

It is one of the biggest hopes and one of the biggest headaches for the world's scientists today. It can help diagnose ill (by the application of radioactive isotopes as tracers). It can cure (through cancer-destroying cobalt bombs). It can kill (as in dreaded leukemia, caused by strontium 90 absorbed into the bones). It can deform (as is possible in generations unborn whose grandparents' reproductive cells may have been accidentally struck by rays, causing terrible mutations of genes).

The atom hangs over mankind like the very cloud it precipitates. Past and present United States, British, and Soviet testing of atomic and hydrogen weapons has resulted in drenching the atmosphere with trillions of radioactive nuclear fragments. We have recently learned the alarming fact that this deadly debris is falling out of the atmosphere much faster than the public had been informed, and is most concentrated in the northern United States.

#### A WAR OVER FALLOUT

How significant is this fallout to human health? This is the topic of bitter controversy throughout the scientific world. Charge and countercharge fill the air. The squabble adds up to one fact: No one is really sure about the effects of fallout.

IHY can strengthen the efforts of all the scientific agencies studying the problem by pooling their findings, so that needless fear or groundless complacency can be avoided and sensible counteraction taken.

And let me emphasize once again, we must get the answers soon. Radiation in the human body is cumulative. The amount of roentgens you may absorb this year is added to the total of previous years—until who is to say what will result?

But, vital though this study of radiation is, IHY would accomplish even more. As its predecessor, the International Geophysical Year, probed the secrets of our physical world, IHY would focus scientific investigation on some of the basic riddles in biology. Here are five essential problems of 20th century medicine that the IHY can attack:

1. Why does an apparently normal body cell suddenly begin to divide wildly, multiplying beyond control? That's the big question in cancer.

2. What is the relationship of diet, stress, heredity to heart disease?

3. What happens inside our cells to make us grow older? Fourteen million Americans over 65 would like to know the answer to that one.

4. What goes wrong in a pregnant mother's womb to cause brain damage or premature or deformed babies?

5. What special characteristics can be found in the blood of schizophrenics or arthritics or patients afflicted with many other kinds of disease?

None of these vital questions is new. All of them are being studied at hundreds of research centers in the United States and throughout the world. But IHY can add new dimensions to research—make it stronger, better manned, better coordinated, better supported, more highly regarded than ever before in human history.

When I visited Premier Nikita Khrushchev in Moscow last December, I discussed IHY with him as part of an overall program of expanding health cooperation. During my 8-hour conference, I heard a lot of "nyets"







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

Issued May 15, 1959  
For actions of May 14, 1959  
86th-1st, No. 77

## CONTENTS

Adjournment.....	22		
Agricultural			
appropriations.....	7,20		
appropriations.....	1,7,20		
area redevelopment.....	9		
claims.....	47		
committee assignments...	21		
contracts.....	13,44		
country life.....	45		
credit unions.....	41		
dairy industry.....	3,17,27		
education.....	19,34		
eggs.....	43		
fair trade.....	12		
farm loans.....	36		
farm program.....	26		
federal aid.....	34		
fees and charges.....	31		
food-for-peace.....	23		
food stamps.....	23		
foreign aid.....	6		
forestry.....	15,33		
highways.....	10		
housing.....	10,11,20,37		
humane slaughter.....	1		
interest rates.....	13		
irrigation.....	16		
lands.....	29,39		
legislative program.....	20		
marketing.....	12,17		
minerals.....	40		
personnel.....	14,31		
postal rates.....	5,30		
poultry.....	43		
president's message.....	10		
property.....	19		
public Law 480.....	42		
public debt.....	35		
reclamation.....	2,32		
research.....	47		
rural development.....	23		
small business.....	21,27		
soil conservation.....	24		
surplus commodities.....	23		
trademarks.....	4		
transportation.....	3		
supplemental			
appropriations.....	1		
water.....	2		
wheat.....	3,10,25,33,46		
wildlife.....	29		

HIGHLIGHTS: Both Houses agreed to conference report on second supplemental appropriation bill. House committee reported area redevelopment bill. House committees granted permission until Fri., May 15, to file reports on wheat bill and USDA appropriation bill. House received President's message on wheat, housing, and highways. House Rules Committee cleared housing bill. Rep. Moore inserted Secretary's W. Va. speech.

## SENATE

1. SECOND SUPPLEMENTAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 5916, and acted on amendments in disagreement. (pp. 7277-88, 7307-A, 7330-37, 7338-9) This bill had been reported by the conference committee on May 13 pursuant to a House order granted May 12 (H. Rept. 355). (p. 7378) This bill will now be sent to the President.

See table at the end of this Digest for a summary of items relating to this Department which were agreed to by the House and the Senate.

Regarding the \$37,500 for humane slaughter provided for by the Senate, but eliminated by the House, Sen. Humphrey asked if the USDA had "administrative flexibility to such a point that it could divert some funds for at least a beginning on the research activities of the Commission established under the Humane Slaughter Act?" Sen. Hayden stated, "I have no doubt it has some funds

which it could use," and Sen. Humphrey urged inclusion of such funds in the regular USDA appropriation bill. p. 7286-7

2. WATER; RECLAMATION. Sen. Bennett announced the holding of a ceremony "to mark the beginning of one the West's important reclamation developments, the Vernal unit of the central Utah project ... which will provide irrigation water for nearly 15,000 acres." p. 7258  
Sen. Neuberger inserted an editorial viewing the different viewpoints of Sen. Morse and himself on provisional authorization of Nez Perce Dam. pp. 7264-5
3. DAIRY INDUSTRY; TRANSPORTATION. Sen. Humphrey announced the inclusion of Sen. Young, Ohio, as a cosponsor of S. 1821, the Dairy Marketing bill. p. 7257  
Sen. Javits inserted a resolution of the N. Y. State Association of Refrigerated Warehouses, Inc., opposing USDA policy "of allowing 80% of the lowest published freight rate" be the determinant of the "f.o.b. price the Government will pay the creamery or handler (not the producer) for his butter." p. 7249
4. TRADEMARKS. Both Houses received from Commerce Dept. a proposed bill "providing for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions"; to the Judiciary Committees. pp. 7248, 7378
5. POSTAL RATES. Sen. Neuberger explained his bill, S. 1295 which "would give the Post Office Department the right to set its own rates -- subject to congressional veto" and stated that "every class of mail would bear its fair proportion" under his bill. p. 7265
6. FOREIGN AID. Sen. Long criticized Under Secretary of State Dillon for applying the "\$100 million counterpart money, which was available because of U. S. foreign aid to ... Greece, against the debt of that country" in the light of "chronic unemployment" there, and Sen. O'Mahoney stated that Mr. Dillon's foreign program does more "to unbalance the budget than anything that is being done by either the Congress or any of the governmental departments." pp. 7270-2, 7273-5  
Sen. Humphrey inserted a statement, "Christian Position on U. S. Foreign Aid," supporting economic assistance to underdeveloped countries. pp. 7319-21

#### HOUSE

7. APPROPRIATIONS. The Appropriations Committee was granted permission until midnight Fri., May 15, to file a report on the agricultural appropriation bill for 1960 and the general Government matters appropriation bill for 1960. (p. 7328) Rep. McCormack announced that the agricultural appropriation bill will be considered on Mon., May 18. (p. 7338)
8. WHEAT. The Agriculture Committee was granted permission until midnight, Fri., May 15, to file a report on the new wheat bill, H. R. 7118. p. 7337  
The House Agriculture Committee has issued a press release which summarizes the committee's wheat bill (which has not yet been formally reported) as follows:
  - "1. Support prices at 90 percent of parity in 1960 and 1961.
  - "2. A 30 percent reduction in each farm acreage allotment, during each of the two years, with a provision that the land in the 30 acre reduction cannot be planted to any other price-supported crop, although it will be eligible for soil bank participation or for use in the production of any crop not receiving price supports.



"3. The bill reduces the present 15-acre wheat exemption to the lesser of 12 acres or the highest planted acreage in 1957, 1958 or 1959.

"4. Removes the present ceiling of 30 acres on the wheat-for-feed exemption, and permits unlimited production for on-the-farm use.

"5. Leaves the national minimum allotment at 55,000,000 acres.

"6. For the two years the program is in effect, there would be an increase in the penalty for overplanting from the present 45 percent of parity to 65 percent of parity, based on double the normal yield or the actual yield, whichever is lower.

"7. Provides for automatic preservation of acreage histories for the two-year life of the program.

"8. Stipulates that non-cooperators will be ineligible for any price support.

"9. Permanently repeals the 200-bushel exemption.

"10. Bases voting eligibility for marketing quota referenda on the previous year's planting record rather than on the announced intention of planting for the current year."

9. AREA REDEVELOPMENT. The Banking and Currency Committee reported with amendment S. 722, to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas (H. Rept. 360). p. 7378

Rep. Flood inserted a list of amendments made by the Banking and Currency Committee to the area redevelopment bill, and a list "of the Congressional Districts with labor markets suffering from substantial labor surplus, as well as rural redevelopment areas, such list indicates current and prospective date of eligibility for benefits under the area redevelopment bill." pp. 7366-71

10. PRESIDENT'S MESSAGE. Received from the President a message urging Congress to take prompt action to enact legislation dealing with the wheat, housing, and highway situations (S. Doc. 27). pp. 7340-1

11. HOUSING. The Rules Committee granted a rule for consideration of S. 57, the housing bill for 1959. The "Daily Digest" states that "The rule will make in order as a substitute H. R. 7117 (introduced by Representative Herlong). Both S. 57, as amended by the Banking and Currency Committee, and H. R. 7117, will be considered as original bills and subject to amendments." pp. D357, 7378

12. FAIR TRADE; MARKETING. The Interstate and Foreign Commerce Committee ordered reported with amendment H. R. 1253, to amend the Federal Trade Commission Act so as to equalize rights in the distribution of merchandise identified by a trademark, brand, or trade name. p. D356

13. CONTRACT RENEGOTIATION. The Ways and Means Committee reported without amendment H. R. 7086, to extend the Renegotiation Act of 1951 (H. Rept. 364). p. 7378

14. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 5752, to provide for the absence from duty by civilian officers and employees of the Government on Fri. when a holiday falls on Sat.; the bill would become effective July 1, 1959 (H. Rept. 362). p. 7378

15. FORESTRY. Rep. Ostertag commended the Secretary's report, "Program for the National Forests," and expressed hope that the Agriculture Committee "will find that the program merits our support." p. 7343

16. IRRIGATION. Rep. McGovern discussed the benefits of irrigation in S. Dak., and inserted an article, "Farmers in Huron Area Show More Interest in Irrigation." pp. 7344-5
17. DAIRY MARKETING. Rep. Johnson, Wisc., discussed and summarized the provisions of his bill, H. R. 6750, to provide for a long-range income stabilization and improvement program for dairy producers, and inserted a table on estimated Government costs, market prices, market supply reductions, and returns to farmers which would result from the program during a typical year's operation. pp. 7354-9
18. INTEREST RATES. Rep. Rhodes defended the administration's interest rate policy stating that there "is a very definite correlation between the value of the dollar and the interest rate, as shown very graphically by our experience of the last few years." p. 7371
19. EDUCATION; PROPERTY. Received from HEW a proposed bill "to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property"; to Education and Labor Committee. p. 7378
20. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., May 18: agricultural appropriation bill for 1960; consent calendar; and H. R. 7007, National Aeronautics and Space Administration appropriation authorization bill for 1960; Tues., May 19; private calendar; housing bill; and general Government matters appropriation bill (after housing bill disposed of). p. 7338
21. COMMITTEE ASSIGNMENTS. Rep. Quie resigned from the Select Committee on Small Business. p. 7340
22. ADJOURNED until Mon., May 18. p. 7377

#### ITEMS IN APPENDIX

23. SURPLUS COMMODITIES. Extension of remarks of Sen. Symington stating that his proposed food-for-peace bill "is a positive, dynamic approach to this grave question and problem," and inserting an editorial, "Must Our Food Surplus Be Treated As An Evil?" p. A4029  
Extension of remarks of Rep. Dingell criticizing this Department's administration of the surplus commodities disposal program, and urging the establishment of a food stamp plan. pp. A4036-7
24. SOIL CONSERVATION. Extension of remarks of Sen. Yarborough inserting an editorial, "Soil Conservation Vital." p. A4030
25. WHEAT. Sen. Langer inserted a GTA Daily Radio Roundup discussing problems of the wheat farmers. p. A4034
26. FARM PROGRAM. Sen. Wiley inserted an article, "Uncle Sam Has Recovered 84 Cents on Each Dollar Spent on Farm Supports." p. A4036  
Extension of remarks of Rep. Wolf favoring economy in Government, and stating that "I submit we overhaul our farm program. I submit that the greatest spender of them all is Secretary Benson." pp. A4052-3  
Extension of remarks of Rep. Cooley inserting an editorial, "Prophets and Opinion Polls," refuting certain Farm Journal opinion poll claims. p. A4089



86TH CONGRESS  
1ST SESSION

# H. R. 7118

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## IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1959

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That title I of the Agricultural Act of 1949, as amended, is  
4       amended by adding the following new section:

5       “SEC. 106. Notwithstanding the provisions of section  
6       101 of this Act, for each of the 1960 and 1961 crops of  
7       wheat price support shall be made available as provided in  
8       this section. The support price for each such crop shall be  
9       90 per centum of the parity price therefor. To be eligible  
10      for such price support on any such crop of wheat the pro-

1 ducer, in addition to complying with the wheat acreage  
2 allotment for the farm on which such crop was produced (i)  
3 must specifically designate an acreage of crop land on the  
4 farm equal to not less than 30 per centum of the farm  
5 acreage allotment for wheat which would be in effect for  
6 the farm except for the reduction thereof as provided in sec.  
7 334 (c) (2) of the Agricultural Adjustment Act of 1938, as  
8 amended, and (ii) must not produce from such acreage  
9 any crop supported pursuant to the Agricultural Act of 1949,  
10 as amended, which would normally be harvested in the  
11 calender year in which the wheat crop for which the pro-  
12 ducer applies for price support is normally harvested. The  
13 acreage so designated shall be in addition to any acreage  
14 in the conservation reserve program at the time of such  
15 designation, but such designation shall not thereafter render  
16 the land so designated ineligible for inclusion in the conser-  
17 vation reserve program. Price support under this section  
18 shall be made available only if producers have not disap-  
19 proved marketing quotas for the crop. In case marketing  
20 quotas are disapproved, price support to cooperators shall be  
21 as provided in section 101 (d) (3). Whether marketing  
22 quotas are approved or disapproved for any such crop of  
23 wheat, price support shall be available only for wheat pro-  
24 duced on a farm for which a wheat acreage allotment is in  
25 effect under the Agricultural Adjustment Act of 1938, as



1 amended, and only if the farm is in compliance with such  
2 acreage allotment.”

3 SEC. 2. (a) In lieu of the provisions of item (1) of  
4 Public Law 74, Seventy-seventh Congress, as amended, the  
5 following provisions shall apply to the 1960 and 1961 crops  
6 of wheat:

7 “(1) If a national marketing quota for wheat is in effect  
8 for any marketing year, farm marketing quotas shall be in  
9 effect for the crop of wheat which is normally harvested in  
10 the calendar year in which such marketing year begins.  
11 The farm marketing quota for any crop of wheat shall be  
12 the actual production of the acreage planted to such crop of  
13 wheat on the farm less the farm marketing excess. The  
14 farm marketing excess shall be an amount equal to double the  
15 normal yield of wheat per acre established for the farm  
16 multiplied by the number of acres planted to such crop of  
17 wheat on the farm in excess of the farm acreage allotment  
18 for such crop unless the producer, in accordance with regula-  
19 tions prescribed by the Secretary and within the time pre-  
20 scribed therein, establishes to the satisfaction of the Secretary  
21 the actual production of such crop of wheat on the farm. If  
22 such actual production is so established the farm marketing  
23 excess shall be such actual production less the actual produc-  
24 tion of the farm wheat acreage allotment: *Provided, how-*  
25 *ever,* That the farm marketing excess shall be adjusted to

1 zero if the total actual production on the farm does not  
2 exceed the normal production of the farm wheat acreage  
3 allotment. Actual production of the farm wheat acreage al-  
4 lotment shall mean the actual average yield per harvested  
5 acre of wheat on the farm multiplied by the number of acres  
6 constituting the farm acreage allotment. In determining the  
7 actual average yield per harvested acre of wheat and the  
8 actual production of wheat on the farm any acreage utilized  
9 for feed without threshing after the wheat is headed, or avail-  
10 able for such utilization at the time the actual production is  
11 determined, shall be considered harvested acreage and the  
12 production thereof in terms of grain shall be appraised in  
13 accordance with regulations prescribed by the Secretary and  
14 such production included in the actual production of wheat  
15 on the farm. The acreage planted to wheat on a farm shall  
16 include all acreage planted to wheat for any purpose and  
17 self-seeded (volunteer) wheat, but shall not include any  
18 acreage that is disposed of prior to harvest in accordance  
19 with regulations prescribed by the Secretary.”

20 “(b) Notwithstanding the provisions of item (2) of  
21 Public Law 74, Seventy-seventh Congress, as amended (7  
22 U.S.C. 1340 (2) ), the rate of penalty on wheat of the 1960  
23 and 1961 crops shall be 65 per centum of the parity price  
24 per bushel of wheat as of May 1 of the calendar year in  
25 which the crop is harvested.”

1       “(c) In lieu of the provisions of item (3) of Public  
2 Law 74, Seventy-seventh Congress, as amended, the follow-  
3 ing provisions shall apply to the 1960 and 1961 crops of  
4 wheat:”

5       “(3) The farm marketing excess for wheat shall be  
6 regarded as available for marketing, and the penalty and the  
7 storage amount or amounts of wheat to be delivered to the  
8 Secretary shall be computed upon double the normal produc-  
9 tion of the excess acreage. If the farm marketing excess  
10 so computed is adjusted downward on the basis of actual  
11 production as heretofore provided the difference between the  
12 amount of the penalty or storage computed on the basis of  
13 double the normal production and as computed on actual  
14 production shall be returned to or allowed the producer or  
15 a corresponding adjustment made in the amount to be de-  
16 livered to the Secretary if the producer elects to make such  
17 delivery. The Secretary shall issue regulations under which  
18 the farm marketing excess of wheat for the farm shall be  
19 stored or delivered to him. Upon failure to store, or deliver  
20 to the Secretary, the farm marketing excess within such  
21 time as may be determined under regulations prescribed by  
22 the Secretary the penalty computed as aforesaid shall be  
23 paid by the producer. Any wheat delivered to the Secre-  
24 tary hereunder shall become the property of the United



1 States and shall be disposed of by the Secretary for relief  
2 purposes in the United States or foreign countries or in such  
3 other manner as he shall determine will divert it from the  
4 normal channels of trade and commerce.”

5 (d) Item (7) Public Law 74, Seventy-seventh Con-  
6 gress, as amended (7 U.S.C. 1340 (7) ) is amended to  
7 read as follows:

8 “(7) A farm marketing quota on any crop of wheat  
9 shall not be applicable to any farm on which the acreage  
10 planted to wheat for such crop does not exceed 15 acres:  
11 *Provided, however,* That a farm marketing quota on the  
12 1960 and 1961 crops of wheat shall be applicable to any  
13 farm on which the acreage of wheat exceeds the smaller of  
14 (1) 12 acres or (2) the highest number of acres planted  
15 to wheat on the farm for harvest in the calendar years 1957,  
16 1958, or 1959.”

17 SEC. 3. Item (12) of Public Law 74, Seventy-  
18 seventh Congress, as amended (7 U.S.C. 1340 (12) ) shall  
19 not be applicable with respect to the 1960 and 1961 crops  
20 of wheat.

21 SEC. 4. The Agricultural Adjustment Act of 1938, as  
22 amended, is amended as follows:

23 (a) Section 334 is amended by inserting “(1)” after  
24 “(c)” and adding a new subparagraph (2) following sub-  
25 paragraph (c) (1) to read as follows:



1       “(2) Notwithstanding any other provision of law, each  
2 old or new farm acreage allotment for the 1960 and 1961  
3 crops of wheat as determined on the basis of a minimum na-  
4 tional acreage allotment of fifty-five million acres shall be  
5 reduced by 30 per centum. In the event notices of farm  
6 acreage allotments for the 1960 crop of wheat have been  
7 mailed to farm operators prior to the effective date of this  
8 subparagraph (2) new notices showing the required reduc-  
9 tion shall be mailed to farm operators as soon as practicable.”

10       (b) Section 334 is further amended by inserting a new  
11 paragraph (d) between paragraphs (c) and (e) to read  
12 as follows:

13       “(d) For the purposes of paragraphs (a), (b), and  
14 (c) of this section any farm on which the farm marketing  
15 excess is adjusted to zero because of underproduction pur-  
16 suant to applicable provisions of law shall be regarded as a  
17 farm on which the entire amount of the farm marketing  
18 excess has been delivered to the Secretary or stored in ac-  
19 cordance with applicable regulations to avoid or postpone  
20 the payment of the penalty.”

21       (c) Subsection (f) of section 335 is amended by  
22 striking out the semicolon at the end of item (1) and add-  
23 ing “and shall not apply to other farms with respect to the  
24 1960 and 1961 crops;”.

1       (d) Section 336 is amended to read as follows:

2       “SEC. 336. Between the date of issuance of any procla-  
3 mation of any national marketing quota for wheat and July  
4 25 of the year in which the proclamation is made the Secre-  
5 tary shall conduct a referendum by secret ballot to determine  
6 whether farmers favor or oppose such quota. Farmers eli-  
7 gible to vote in such referendum shall be farmers who were  
8 engaged in the production of the crop of wheat normally  
9 harvested in the calendar year immediately preceding the  
10 calendar year in which the referendum is held on a farm that  
11 was not exempted from farm marketing quotas on such crop  
12 of wheat under applicable provisions of law. Any acreage  
13 considered as being devoted to wheat in establishing future  
14 allotments under applicable provisions of law shall be con-  
15 sidered as wheat-producing acreage for the purpose of de-  
16 termining eligibility to vote. If the Secretary determines  
17 that more than one-third of the farmers voting in the referen-  
18 dum oppose such quota he shall prior to the effective date  
19 of such quota by proclamation suspend the operation of the  
20 national marketing quotas with respect to wheat”.

21       (e) Section 362 is amended by deleting the second  
22 sentence thereof.

23       SEC. 5. Subsections (b) and (c) of section 335 of the  
24 Agricultural Adjustment Act of 1938, as amended, are here-  
25 by repealed and subsection (d) of said section is repealed  
26 effective beginning with the 1960 crop of wheat.



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# A BILL

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To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

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By Mr. COOLEY

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MAY 14, 1959

Referred to the Committee on Agriculture



Mr. PASSMAN. The full Committee on Appropriations turned down the DLF deficiency appropriation request, but the House saw fit to put in \$100 million. The bill went to the other body, where this item was raised to \$200 million. Then in conference it was reduced to \$150 million. I merely wanted to point out to the membership that this Development Loan Fund is being used to do many things that the Congress itself said should not be done. One of the instances is the item I have discussed. The Congress is obviously being given the runaround through the manipulation of this Development Loan program.

Mr. THOMAS. I have no doubt our able and distinguished friend from Louisiana when he considers all the items for appropriation will go into them thoroughly.

Mr. PASSMAN. We might not have an opportunity to consider the item then. They are now attempting to bypass our committee, and they say, in effect, "You may not have the opportunity to make this decision because we will possibly already have the money."

I should like for the record to show, with respect to this particular matter, that I spent 2 days on Okinawa last year. I departed convinced that Congress should provide the funds necessary for the powerplant. My remarks today should not be interpreted as critical of the needs for this project, but, rather, of the means being used in the attempt to obtain funds.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. I notice on page 32 a substantial amount of money for the other body for office equipment. Does the gentleman think this is going to take care of the rugs and the sawing off of the doors and all the other mistakes that were made?

Mr. THOMAS. May I say to my distinguished friend that his judgment is just as good as mine on that. I hope it does.

Mr. GROSS. Maybe we ought to organize a volunteer force and help them cut off the doors and lay the rugs.

Mr. THOMAS. Maybe the gentleman has a good point there.

Mr. GROSS. I notice there is \$500,000 in this bill for the Pan American Olympic Games. Is that correct?

Mr. THOMAS. Half a million dollars, yes.

Mr. GROSS. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. RHODES of Arizona. My question is with regard to amendment No. 59 of the Senate. I previously discussed this matter with the able gentleman from Ohio [Mr. KIRWAN]. I should like the RECORD to show that this amendment, which was for \$1 million for road construction and maintenance in the Navajo-Hopi Reservation, was not kept in the bill after conference because of a statement from the Department of the Interior stating that the money was not

needed for the program to proceed in this fiscal year. May I ask the gentleman if it is not a fact that the conference did not intend nor does the House intend that this program for building roads across the Navajo-Hopi Reservation will be held up in the slightest?

Mr. THOMAS. The gentleman usually gets what he wants. He takes care of his people, and I am sure he will in this instance. We will cooperate with him, too.

Mr. KIRWAN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Ohio.

Mr. KIRWAN. We have clearly stated in the conference report that it is intended that the department will proceed with letting the planned contracts for the road work. The Department of the Interior has advised us that no cash payments will be required on their contracts until after July 1, 1959, at which time the funds in the regular 1960 appropriation bill will be available. So this action will in no way hold up the scheduled construction program.

Mr. RHODES of Arizona. So the net result will be that there will be no delay in this program.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Virginia.

Mr. JENNINGS. In the bill as it went to conference there was \$3 million to be used by the forest service in areas of unemployment. I notice that is not in the bill as it came from conference.

Mr. THOMAS. That is correct. Let me ask the gentleman from Ohio to give the gentleman an answer to it.

Mr. KIRWAN. I was originally in favor of this item, for I understood it was intended to help out the distressed area in just one State. But when finally approved by the other body the \$3 million was spread all over 32 other areas, so the affect in any one area would be meaningless. Scattering this small amount of funds across the country as was proposed would put only a very small number to work in any one area, and then only for a few weeks. This would not help and that is why it was taken out of the bill.

Mr. THOMAS. Mr. Speaker, if the gentleman will permit me to point this out—as a matter of fact, did you not put about \$10 million in your regular bill to get this job done? Is it not also true that this small amount of money would not be a drop in the bucket, and, furthermore, the appropriation would expire long before you could allocate it because this bill is only good to the end of June? I think the gentleman from Ohio is going to try to do something worth while for you about this.

Mr. KIRWAN. I want to point out that we put \$9,650,000 in the appropriation bill for this year over the budget request for the Forest Service. I would be satisfied to support \$3 million if it is put in the 1960 regular appropriation bill for this particular area and not scattered around all over the country. How

are you going to really help people all over the country with such a small amount?

Mr. KIRWAN. I understand it was planned to allocate this amount to many, many areas and only a portion would go to provide employment. I again tell you that I would vote for \$3 million if it was restricted to this one area where it could be of some aid but what can be accomplished with only \$3 million scattered over 32 different areas?

Mr. JENNINGS. I must remind the gentleman that even if the money were scattered over 32 areas, it is still restricted to areas of unemployment while on the other hand, as it was originally set up, the \$3 million went to only one area and all the other areas would have been completely left out.

Mr. KIRWAN. I am trying to tell the gentleman that when I told them to put it in in the other body, I asked them to put it in the regular appropriation bill. We have only six weeks left in this fiscal year.

Mr. JENNINGS. But that was restricted to one area and that would not have helped those of us who are outside of that particular area.

Mr. KIRWAN. I again tell the gentleman that to provide any effective relief for unemployment in the 32 other surplus labor areas would require many, many millions of dollars. The \$3 million would at best help only a relatively small number for a few weeks. On July 1 the 1960 appropriation for the Forest Service will be available and this will total over \$100 million for land management and roads.

Mr. JENNINGS. Let me say to the gentleman that one job is better than no job, and I would be glad to have any part of it. But, I am pleased to hear that you have \$100 million in the bill for 1960.

Mr. THOMAS. Mr. Speaker, apparently there is no disagreement between the gentlemen. Both of them are going to get around to doing a tremendous job for next year.

#### COMMITTEE ON AGRICULTURE— H.R. 7118

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow night to file a report on the bill, H.R. 7118.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.



## LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the legislative program for next week.

Mr. McCORMACK. Mr. Speaker, the program for next week is as follows:

Monday, the Consent Calendar will be called. There will be one bill taken up under suspension of the rules, the bill, H.R. 7007, authorizing appropriations for the National Aeronautics and Space Administration for 1960. That bill has been unanimously reported out of committee.

Then, the appropriation bill for the Department of Agriculture for 1960 will be taken up.

The Private Calendar will be called on Tuesday.

Following the disposition of the agricultural appropriation bill, if it should go over to Tuesday, the housing bill, S. 57, will be brought up. If the agricultural appropriation bill should be disposed of on Monday, in no event will the housing bill be brought up before Tuesday. In other words, for example, if the agricultural bill should be disposed of on Monday in time to start on the housing bill, we will not start on it on Monday so the Members will be advised of that.

The general Government matters appropriation bill for 1960 will follow the Housing bill.

Agreement has been made by the leadership that any record vote on Monday or Tuesday, with the exception of a vote on a rule, will go over until Wednesday, due to the fact that there are primaries in Pennsylvania on Tuesday next.

Mr. HALLECK. May I inquire of the gentleman if that likewise holds for any record vote on Monday?

Mr. McCORMACK. Exactly; any record vote on Monday or Tuesday, with the exception, as I said, of a vote on any rule—and of course in the case of the appropriation bill there would be no vote on the rule because such a bill is preferential—but in the event there should be a vote on a rule I would have to have that, otherwise we could not proceed.

Mr. HALLECK. If the gentleman will yield further, there is the possibility that a veto message might be coming in here on Monday or Tuesday; I take it that should that happen a vote on that message would go over until Wednesday.

Mr. McCORMACK. Absolutely; absolutely, if not later.

## SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. GROSS. Mr. Speaker, if there is not to be a rollcall vote on this conference report I want the RECORD to show that I am opposed and would have voted against approval.

This conference report calls for the spending of \$2,764 million. That is approximately \$107 million more than the bill contained when it left the House.

Included in this bill is \$150 million for the so-called Redevelopment Loan Fund. These are loans made to foreign governments that are so soft they will never be collected. The House approved \$100 million for this purpose. That was too much. Then the Senate added \$50 million and the total amount of \$150 million is unconscionable in view of the fact that this is a supplemental appropriation which means this money is in addition to the hundreds of millions appropriated for the same purpose earlier in this fiscal year.

There are other items in this bill that should never have been increased. Again, I am opposed to the substantial appropriations contained in this bill to rectify the mistakes that were made in constructing and equipping the new Senate Office Building.

Mr. Speaker, I am opposed to this bill and let the RECORD clearly show my position.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 7, insert “, \$3,666,700, to including not to exceed \$35,000 for the alterations to the meat laboratory at Beltsville, Maryland, \$4,174,110, of which \$4,074,110 shall”.

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert “\$3,870,400”.

The motion was agreed to.

Mr. BOW. Mr. Speaker, I think it might be well at this point to be sure that the RECORD indicates the intent of the action of the House conferees on this amendment. In agreeing to the amount of \$3,870,400 for this appropriation, the conferees are deleting the language and money that was proposed in the Senate amendment for conducting additional research at Beltsville.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 4, line 4, insert:

“FOREIGN AGRICULTURE SERVICE  
“Salaries and expenses

“Subject to allocation in such manner as may now or hereafter be prescribed by the President, foreign currencies which have accrued under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), may be used without fiscal year limitation for the purposes of section 104(m) of that Act, including administrative expenses directly related thereto, in an amount not to exceed the equivalent of \$1,275,000.”

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 22, strike out the word “The” and insert “For an additional amount for ‘Acreage allotments and marketing quotas,’ \$2,375,000, to be derived by transfer from the appropriation for ‘Conservation reserve program,’ fiscal 1959 and the”.

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert “\$2,000,000”.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: Page 17, line 1, insert:

“CONSTRUCTION OF SURGICAL FACILITIES

“For an additional amount for ‘Construction of surgical facilities,’ \$370,000, which together with funds heretofore appropriated under this head shall remain available until expended.”

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 38, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert “\$335,000.”

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 20, line 2, insert:

“ALASKA INTERNATIONAL RAIL AND HIGHWAY  
COMMISSION

“Salaries and expenses

“For an additional amount for ‘Salaries and expenses,’ \$200,000 and said appropriation shall remain available until March 1, 1960.”

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 22, line 18, insert:

“REFUNDS UNDER RENEGOTIATION ACT

“For refunds under section 201(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1231(f)), \$1,400,000, to remain available until expended.”

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.



The Clerk read as follows:

Senate amendment No. 56: Page 24, insert "and in addition \$100,000 to be derived by transfer from the appropriation 'Salaries and expenses, Office of Mineral Exploration'."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 57: Page 25, line 2 insert "Provided, That not to exceed \$3,500 shall be available for reimbursing the American Falls Irrigation District Numbered 2 Shoshone, Idaho, for reconstruction of a bridge damaged by the Bureau of Land Management during fire-suppression activities."

Mr. THOMAS. Mr. Chairman, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 57, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 29, line 9, insert:

"TEMPORARY UNEMPLOYMENT COMPENSATION  
"The appropriation granted under this head in chapter II of the Act of June 13, 1958 (Public Law 85-457), shall remain available until September 30, 1959, for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, as amended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 63, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 66: Page 30, line 1, insert:

"SALARIES, OFFICERS AND EMPLOYEES

"Office of the Sergeant at Arms and Doorkeeper

"For an additional amount for Office of Sergeant at Arms and Doorkeeper, \$1,055 for the employment from May 1, 1959, of an Assistant Superintendent, Periodical Press Gallery, at \$3,000 basic per annum."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 66, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69: Page 30, line 10, insert:

#### "MISCELLANEOUS ITEMS

"For an additional amount for 'Miscellaneous Items,' \$81,290: *Provided*, That effective May 1, 1959, the basic salaries of the research assistants to the majority and minority leaders, as authorized by Senate Resolution 158, agreed to December 9, 1941, may be fixed by the respective leaders at not to exceed \$8,820 basic per annum each."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 69, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 71: Page 30, line 20, insert:

#### "STATIONERY (REVOLVING FUND)

"For an additional amount for 'Stationery revolving fund,' \$1,780, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 71, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

#### "STATIONERY (REVOLVING FUND)

"For an additional amount for 'Stationery revolving fund,' \$1,780, to remain available until expended."

#### "HOUSE OF REPRESENTATIVES

"For payment to Mary S. Polk, widow of James G. Polk, late a Representative from the State of Ohio, \$22,500."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 75: Page 32, line 1, insert:

#### "ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE

#### "Construction and equipment of additional Senate Office Building

To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to continue to provide for the construction and equipment of a reproof office building for the use of the United States Senate, in accordance with the provisions of the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), as amended by the Legislative Branch Appropriation Act, 1958 (71 Stat. 252, 253), \$750,000: *Provided*, That no part of the funds herein appropriated shall be obligated or expended for construction of the rear center wing of said building, from the ground floor up, provided for under the building plans heretofore approved by such Commission: *Provided further*, That the amount of \$23,446,000 fixed by the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), as amended by the Legislative Branch Appropriation Act, 1958 (71 Stat. 252, 253), as the limit of cost for construction and equipment of an additional office building for the United States Senate is hereby increased by \$750,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 75, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 76: Page 35, line 1, insert:

#### "THIRD PAN AMERICAN GAMES

"For necessary expenses of the Third Pan American Games, 1959, \$500,000, to remain available until June 30, 1960."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 76, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 88: Page 40, line 4, strike out "General provisions: The Secretary of Commerce is authorized to transfer not to exceed \$900,000 between appropriations of the Department of Commerce available for Salaries and expenses for the purpose of providing for increased pay costs in the fiscal year 1959" and insert "General provisions: The Secretary of Commerce is authorized to transfer not to exceed \$833,075 from the appropriation 'Ship construction (liquidation of contract authorization) maritime activities', to other appropriations of the Department of Commerce for the purpose of providing for increased pay costs in the fiscal year 1959."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 88, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "\$416,500".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 172: Page 58, line 16, insert "'Joint Committee on Reduction of Nonessential Federal Expenditures', \$2,295, to remain available during the existence of the committee and to be disbursed by the Secretary of the Senate;".

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 172, and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.



**ADDITIONAL COPIES OF REPORT ENTITLED "INTERIM REPORT OF THE BOSTON NATIONAL HISTORIC SITES COMMISSION PERTAINING TO THE LEXINGTON-CONCORD BATTLE ROAD"**

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 247 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That there shall be printed three thousand additional copies of House Document 57 (Eighty-sixth Congress), entitled "Interim Report of the Boston National Historic Sites Commission Pertaining to the Lexington-Concord Battle Road" for distribution by the House Superintendent of Documents.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Iowa.

Mr. SCHENCK. Would the gentleman inform the House as to the cost of each of these resolutions he is about to introduce?

Mr. JONES of Missouri. I will be glad to. The cost of the resolution before the House at this time is \$923. That is a back-press cost for the 3,000 additional copies of that document.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS**

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 22 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That there be printed for the use of the Joint Committee on Washington Metropolitan Problems, one thousand additional copies of the hearings held during the Eighty-fifth Congress entitled, "Transportation Problems in Maryland, Virginia, and the Washington Metropolitan Area."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Iowa.

Mr. GROSS. What is the cost of this resolution?

Mr. JONES of Missouri. The cost of this resolution is \$1,659.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, is this designed as a propaganda piece for the benefit of these States and the District of Columbia to promote some more free bridges across the Potomac?

Mr. JONES of Missouri. I will answer the gentleman and tell him that I do not think that is the purpose of it. However, this is a Senate resolution, and I would say that as a matter of precedent

and comity between the two Houses, we usually approve Senate resolutions that come over here.

Mr. GROSS. I would not think of suggesting that the gentleman do anything that would disturb the so-called comity between the House and the Senate; I am not suggesting that at all, but I would like to know whether this is a propaganda piece designed to help build some more bridges or do something of that kind in this area, using the taxpayers' money of Missouri and Iowa as well as all the States.

Mr. JONES of Missouri. I am not in favor of propaganda, as the gentleman knows.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**RESIGNATION FROM COMMITTEE**

The SPEAKER laid before the House the following resignation from a committee:

MAY 14, 1959.

HON. SAM RAYBURN,  
*Speaker, House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: I herewith offer my resignation from the House Select Committee on Small Business.

It has been a privilege and pleasure to work with the members of the Small Business Committee and I regret that I must discontinue this association.

Sincerely yours,

ALBERT H. QUIE,  
*Member of Congress.*

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

**RESIGNATION FROM COMMITTEE**

The SPEAKER laid before the House the following resignation from a committee:

MAY 14, 1959.

HON. SAM RAYBURN,  
*Speaker, House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: It has been a privilege and pleasure to serve on the Committee on House Administration for the past several years. However, I now find it necessary to discontinue my service on the committee in order to devote full time to my duties and responsibilities as minority leader.

Sincerely yours,

CHARLES A. HALLECK,  
*Minority Leader.*

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

**ELECTION TO COMMITTEE**

Mr. LAFORE. Mr. Speaker, I offer a resolution (H. Res. 263) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That ALBERT H. QUIE, Minnesota, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**LEGISLATIVE RECOMMENDATIONS—**

**MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 27)**

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

*To the Congress of the United States:*

In making my legislative recommendations in January of this year I called to the particular attention of the Congress three matters requiring urgent consideration and action. It is now some 4 months since I made these recommendations and to date the Congress has dealt finally with none of them. On one, it has taken no action at all.

These recommendations were as follows:

1. To avert a serious disruption of the interstate highway program due to an impending deficit in the highway trust fund, I recommended a temporary increase in the Federal tax on motor fuels;

2. To avoid the possibility of a serious interruption in homebuilding, I recommended an increased authorization for the insuring of home mortgages by the Federal Housing Administration;

3. To halt the accelerated buildup of surplus agricultural commodities and to reduce those stocks and their ever-mounting cost to the taxpayer, I recommended corrective legislation.

Since these recommendations were made, time has grown steadily shorter and the problems occasioned by the lack of action in the Congress increasingly critical.

**HIGHWAY TRUST FUND**

In setting up the interstate highway program in 1956, the Congress provided that it be conducted on a pay-as-you-go basis and, to accomplish this purpose, established the highway trust fund. Motor fuels and other highway user taxes are paid into this fund, and Federal grants, amounting to 90 percent of the cost of building the Interstate Highway System, are paid to the States out of the fund.

Legislation enacted last year, however, has increased the rate at which money is being spent from the fund and nothing has been done to put more money into the fund. Because the law wisely requires that the fund's expenditures not exceed its receipts, it will be impossible this year, without congressional action, to apportion funds so that the States may make commitments for future highway construction. Apportionments in the following year would also be far below those needed to carry forward the roadbuilding schedule now contemplated by law.

To keep the highway trust fund on a pay-as-you-go basis and to maintain the



planned construction schedule, I recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1 of this year.

The recent suggestion that receipts from the manufacturers' excise tax on automobiles be earmarked for the trust fund is an unsatisfactory alternative. The transfer of those receipts, running about a billion dollars a year, from the general fund to the highway trust fund would mean only that the problem would then be to raise new taxes to replenish the loss to the general fund.

An even more unsatisfactory alternative, proposed by some, would be legislation to waive the pay-as-you-go requirement. This would only be a refusal to face reality—one that the Congress would be hard put to explain. Less than 3 years ago, as a matter of legislative policy, the Congress declared in the Highway Revenue Act of 1956 that if it ever appears that the trust fund's total receipts will be less than its total expenditures "the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures."

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

#### HOUSING

In January I urged the enactment of emergency legislation to increase by \$6 billion the Federal Housing Administration's authority to insure privately extended home mortgages.

This recommendation has not been enacted. The height of the homebuilding season is upon us, builders must plan ahead and the agency's insurance authority is in danger of being exhausted.

The \$6 billion increase in authority involves no Federal spending and FHA's operations are self-supporting.

Because it could see that its authority was running out, the agency late last year, where it could, began issuing agreements to insure in the future provided it then actually had authority remaining. By thus substituting provisional agreements for actual commitments, the agency has been able to avoid an abrupt halt in its operations due to a lack of insurance authority.

Although the agency may be able to continue on this temporary basis until June 30, the end of the fiscal year, the situation grows more precarious every day. The agency's outstanding agreements to insure in the future now exceed \$3 billion, more than twice the amount of the agency's remaining authority to make actual insurance commitments.

To avoid the possibility of a serious interruption in homebuilding all across America, sound congressional action in this area is urgently needed.

#### WHEAT

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing issue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering

cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

The most dramatic failure of all—and the problem requiring the most urgent attention—is the wheat program. Surplus wheat stocks are already 2½ times our annual domestic consumption for food. By July 1 of next year these stocks are expected to reach 1.5 billion bushels and to involve an investment of \$3.5 billion by the Federal Government. Wheat storage, handling and interest charges alone will cost the American taxpayer close to half a billion dollars in the next fiscal year. Final proof of the present program's utter failure to control production lies in the fact that the last wheat crop was the largest in history.

Because the Secretary of Agriculture is required by law to announce a continuation of this thoroughly discredited program by the 15th of May, in January I urgently recommended corrective legislation. The deadline set by law is now only 2 days away. No such legislation has been passed.

I understand that at this late hour the Congress has elected further to postpone its decision by briefly extending the deadline for announcing next year's wheat program. Having chosen this course, the Congress should use this added time to enact realistic and constructive legislation that will effectively avert the impending disaster in wheat.

I am compelled once again to call these particular matters to the special attention of the Congress because the orderly and efficient conduct of the people's business so requires. I urge the Congress to act expeditiously in these critical areas.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 13, 1959.

#### MICHIGAN, MY MICHIGAN

(Mr. RABAUT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RABAUT. Mr. Speaker, May 17-23 is Michigan Week. We Michiganders are proud of our State 52 weeks in the year. However, because of the many natural resources, commercial opportunities, and other advantages offered by our State, Michigan has set aside one special week each year to talk Michigan. I am glad to do my part in making the assets of our State more widely known and recognized.

Michigan is the largest State east of the Mississippi. The Upper Peninsula alone is equal in size to Connecticut, Delaware, Rhode Island and Massachusetts combined. Both the Upper and Lower Peninsula have been richly endowed by nature, thus well justifying the State motto, "If you seek a pleasant peninsula, look about you."

Industry, agriculture and the tourist trade form the three pillars upon which rests the economy of Michigan. During World War II, the magnificent performance of Michigan's automotive industry

earned for our State the title "Arsenal of Democracy."

Our State continues today to be one of the foremost producers of military vehicular equipment and also is in the forefront of the vast new developments and rapid expansion in the manufacture of ballistic missiles—awesome and terrible weapons of the new space age.

The automotive industry, however, is only one among many in which Michigan is a leader. On the basis of value added by manufacture, Michigan also ranks first in boatbuilding, output of internal combustion engines, mobile homes, steel springs, hardware, industrial patterns, special dies and tools and conveyors. Michigan is also known far and wide as an outstanding producer of furniture, breakfast foods, drugs and chemicals, sporting and athletic goods, steel, chemicals, salt, and paper products.

Diversification of industry has proceeded at such a pace that of 453 industries classified by the U.S. Bureau of the Census, Michigan has 369 or 81 percent of the total.

Michigan boasts of many new and up-and-coming fields. One of these is the production of chemicals. The value added by manufacture in the chemical industry is even now in the order of \$600 million. More than 100 chemical products and medicines are manufactured in the State. The wealth of raw materials available within the State should boost Michigan to one of the Nation's top producers of chemicals.

It is said that "whatever a manufacturer may need in the way of materials, it is probable that he will find them in Michigan." A study of a resources map of the State shows an abundance of nature's bounty.

Starting with the Upper Peninsula, which is part of the greatest iron ore-producing region in the world, the Lake Superior District, we find a wealth of iron ore deposits, Michigan's most valuable mineral product. These deposits place Michigan second among all iron ore-producing States. Since 1854, the Michigan mines have shipped a tonnage of ore equal to the total excavation of the Panama Canal.

Between 1860 and 1890, Michigan led the Nation in production of lumber. Michigan timber helped to build America in the 19th century. Although the forests have been largely cut over, Michigan is still a major lumbering State. About 75 percent of the State's commercial lumber production is located in the Upper Peninsula. In all, the State of Michigan boasts of 19 million acres of forests, yielding about a million cords annually. It is expected that Michigan's harvest of woods will be increased as the second growth of timber develops, for Michigan's lumbermen are applying their knowledge of modern conservation methods to their operations to insure maintenance of a continuing supply of wood.

Michigan's hardwoods are basic to our furniture industry. Softwoods underwrite the State's well-known paper and pulp industry.



Michigan is also noted for its limestone. The most important deposits are found at Alpena and Presque Isle. These deposits are near the shoreline and the limestone can be quarried cheaply and shipped by lake freighters engaged in the transport of iron ore. Limestone is used as blast furnace flux in the iron and steel industry. Michigan supplies at least one-third of all the American steel industry's demand for fluxstones. Limestone is also used for chemical purposes.

The State of Michigan is first in production of salt, gypsum, and marl. Almost endless supplies of salt are found in Michigan, chiefly in the Lower Peninsula. Some saltbeds measure 400 feet in thickness. The salt on tables throughout the country probably comes from Michigan. At the same time, carloads upon carloads of salt are consumed by Michigan's chemical industry.

The Lower Peninsula, particularly has extensive quantities of sand and gravel production in the United States. Michigan's splendid highways are built of her own native materials.

In addition to industry, Michigan is a top-notch agricultural State. Michigan's agriculture brings in more than \$730 million each year. Both the Upper and Lower Peninsulas have lands well suited to diversified agriculture. Dairying ranks first as an income producer, among all agricultural pursuits. Dairy farms are operated in both peninsulas. Potato acreages are also important in both northern and southern Michigan.

Michigan's Lower Peninsula raises 97 percent of the Nation's crop of Navy beans. Beans may be baked in Boston, but they are grown in Michigan.

One of the finest fruit belts in the United States is located in the western part of the State, along Lake Michigan. Many fruits are grown throughout the entire southern part of the State. The State's commercial crop of apples, nearly 12 million bushels of them, last year put Michigan in third place in apple growing. Peaches, pears, and cultivated blueberries from Michigan are relished throughout the entire country.

Michigan is first in production of tomatoes and cucumbers. Many other vegetables—onions, snap beans, carrots, and celery—are cultivated in Michigan.

In all, 44 different fruit and vegetable crops are raised commercially in Michigan.

The lakes, streams, and woodlands of Michigan combine to form the perfect setting for vacationers. Recreation is an important "product" for Michigan. The tourist and resort industry which caters to almost 10 million tourists a year, brings in a total annual revenue of more than \$650 millions. Michigan is now the Nation's fourth most popular vacation State.

Many of Michigan's cities are nationally and internationally known for the products they make: Detroit, Pontiac, Flint, and Lansing, autos and parts; Battle Creek, cereals; Holland, furnaces; Grand Rapids, furniture; Kalamazoo,

paper and drugs; Midland and Wyandotte, chemicals;

Alpena, the world's largest single Portland cement plant; Fremont, the Nation's top producer of canned baby foods; Muskegon, the world's largest independent grey iron casting foundry, billiard table, and bowling alley factory and independent internal combustion engine manufacturer; Grayling, the world's largest producer of quality archery equipment; Imlay City, the world's largest powdered milk plant; Benton Harbor, largest cash-to-grower regional fruit market in the world. With such an abundance of resources and diversity of commercial activity we are proud to say that Michigan's economy is gaining year by year. Michigan approaches the seventh decade of the 20th century with confidence and optimism.

#### MOVEMENT OF DAIRY PRODUCTS

(Mr. MARSHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MARSHALL. Mr. Speaker, I am introducing a bill today to correct a dangerous practice which has arisen in the movement of dairy products under the Agricultural Trade Development and Assistance Act—Public Law 430.

Since 1957 the Department of Agriculture has been subsidizing the export of nonfat dry milk to the Philippine Islands where it is used by subsidiaries of American dairy firms to manufacture a filled evaporated milk which is sold in direct competition with regular evaporated milk from the United States. Since coconut oil in local production is used in manufacturing the filled evaporated milk, it has a price advantage in competition with our regular exports.

It was not the purpose of Public Law to use subsidized exports of one U.S. commodity to destroy the market for commercial exports of another U.S. commodity.

On the contrary, the avowed purpose of the act was to help create new markets for our agricultural commodities by development and expansion of private channels of trade and commerce wherever possible. In my opinion, the current activities of the Department of Agriculture in the export of dairy products are in violation of this purpose.

The act specifically states that precautions be taken to "safeguard usual marketings of the United States and to assure that sales under this act will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries."

The importance of this language is readily apparent. It would be foolhardy to use surplus production of one commodity to destroy the existing commercial market for another. Eventually such action can only be detrimental to all commodities and the very purpose of the Agricultural Trade Development and Assistance Act is defeated.

For many years, the Philippines have represented an important segment of

the regular export market for American dairy products. Commercial exports of United States produced evaporated milk have not been subsidized. Now, however, we find the Department subsidizing the movement of one ingredient of filled milk which is to be sold in direct competition with our regular commercial exports.

The result should readily have been foreseen. There is a marked drop in our normal export of evaporated milk to the Philippines. The experience of this brief 2-year period points to a steady decline in evaporated milk exports unless the discriminatory practices of the Department are stopped.

The Department of Agriculture is well aware of the situation. A study was made in 1958 to determine the impact of filled milk manufacturing in the Philippines upon commercial export marketings of evaporated milk from the United States.

Following is a summary from the Foreign Agricultural Trade Digest, published by the Foreign Agricultural Service of the Department in November 1958:

#### DAIRY PRODUCTS—FILLED EVAPORATED MILK COMPETING WITH U.S. EVAPORATED MILK IN PHILIPPINES

Exports of evaporated milk amounted to 3 million pounds in August 1958 contrasted with 20 million in August 1957. Increased shipments in the latter part of 1957 may have reflected heavy forward buying by the Philippines, by far this country's most important market for evaporated milk, in anticipation of possible exchange stringency. Exports totaled 62 million pounds in January-August 1958 compared with 109 million in the corresponding 1957 period. Smaller shipments this year have reflected primarily the competition in the Philippines from filled evaporated milk (made with coconut oil and nonfat dry milk) and also the large inventory carried over from 1957. The Philippines Government discontinued automatic issuance of dollar allocations for evaporated milk from the latter part of June to October. Both United States and Dutch sales have been reduced.

Thus, the Department of Agriculture itself points out that our country's most important market for evaporated milk is being destroyed by competition from filled milk manufactured from subsidized exports of nonfat dry milk.

As many Members of the House undoubtedly know, the Filled Milk Act of 1923 makes the shipment of filled milk products illegal in interstate commerce. Thus we find the Department of Agriculture aggressively encouraging the development of products which would be illegal to ship in our own country.

Expansion of the production of filled milk products in foreign areas will, over a period of time, contribute to practically complete elimination of export trade in natural dairy products for the United States and other dairy producing countries.

Surely, we ought not to use a program specifically designed to build commercial markets to destroy the regular markets we already have. For this reason, I hope we can give early consideration to my bill to end this practice. Mr.







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued May 18, 1959  
For actions of May 15, 1959  
86th-1st, No. 78

Adjournment.....9		
Agricultural		
appropriations.....1		
Appropriations.....1		
Budget.....7		
Conservation.....12		
Corn tassel.....16		
Eggs.....4		
Electrification.....15		
Farm program.....4	National flower.....16	Taxation.....10,17
Food stamps.....4	Personnel.....5	Tobacco.....3
Foreign aid.....6	Poultry.....4	Water pollution.....11
Forestry.....8	Price supports.....2,3	Water resources.....12
Labor standards.....18	Property.....8,17	Wheat.....2,3
Library services.....14	School lunch.....4	Wildlife.....12

**HIGHLIGHTS:** House committee reported agricultural appropriation bill Fri., May 15. Senate committee ordered reported wheat and tobacco price support bills, and was granted permission until Mon., May 18, to report the bills.

## HOUSE

1. **AGRICULTURAL APPROPRIATION BILL FOR 1960.** The Appropriations Committee reported this bill during recess.

Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest are a summary comparison of the Committee actions with the 1960 estimates and with anticipated funds available in 1959. (Excerpts from the committee report will be quoted in tomorrow's Digest.)

2. **WHEAT.** The "Daily Digest" states that the Agriculture Committee "Met in executive consideration of a clean bill H. R. 7118, which incorporates the provisions of H. R. 6737, with respect to price supports for wheat and for other purposes. Action was deferred on this bill until Tuesday, May 19, when the committee will again meet in executive session." p. D361

SENATE

3. WHEAT; TOBACCO. The "Daily Digest" states that the Agriculture and Forestry Committee "ordered favorably reported an original bill providing for 1960-61 crops of wheat. Price supports will be at 65 percent of parity to those producers planting 80 to 100 percent of their acreage allotments, and 80 percent of parity to those planting 80 percent or less of their acreage allotments. ~~The committee also approved S. 1901, to amend the Agricultural Act so as to stabilize and protect the level of support for tobacco~~" (p. D359). At the request of Sen. Ellender the committee was granted permission until 6 p. m. Mon., May 18, to report the ~~two bills~~ (p. 7394).
4. FARM PROGRAM. Sen. Morse urged the purchase of poultry and eggs for the school lunch program and enactment of a food-stamp plan for distribution of surplus foods, and inserted two articles, "Uncle Sam Has Recovered 84 Cents on Each Dollar Spent on Farm Supports" and "Falling Farm Prices Stabilize Cost of Living." p. 7411
5. PERSONNEL. Sen. Carlson inserted an address by Rocco C. Siciliano, Special Assistant to the President for Personnel Management, "The Challenge of Executive Leadership in Government," discussing the difficulty of recruiting the more competent persons for Federal service, and stating that "There is strong evidence that the Federal Government does not compete on equal terms with private industry in attracting and retaining a fair share of the ablest leaders that this Nation produces." pp. 7418-20
6. FOREIGN AID. Sen. Mansfield discussed the foreign aid program, stated that "The uneasiness with the foreign aid program which is evident in Congress" is the result of "uneasiness over the administrative decadence with which foreign aid is now surrounded" and that he is "persuaded that time is running out on foreign aid," and inserted several items on foreign aid given to different countries. pp. 7389-94  
Sen. Neuberger commended Sen. Mansfield's statement, and stated that "foreign aid must be improved." pp. 7420-1
7. BUDGET. Sen. McNamara inserted his newsletter to constituents, "Why We have A Deficit," and an editorial discussing "the inconsistency of the President in his approach to the Nation's fiscal affairs." p. 7387
8. PROPERTY; FORESTRY. Received a Sherman County, Nebr., County Board of Supervisors resolution favoring enactment of S. 910, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property. p. 7382
9. ADJOURNED until Tues., May 19. p. 7421

ITEMS IN APPENDIX

10. TAXATION. Sen. Wiley inserted excerpts from his address discussing the effects of taxes on the economy and stressing the need for a long-range tax policy. pp. A4095-6
11. WATER POLLUTION. Sen. Yarborough inserted a local resolution commending Sen. Johnson, Rep. Poage and himself for their efforts in the Congress for legislation to carry water pollution control programs. p. A4097







## WHEAT ACT OF 1959

MAY 18, 1959.—Ordered to be printed

Filed under authority of the order of the Senate of May 15, 1959

Mr. ELLENDER, from the Committee on Agriculture and Forestry,  
submitted the following

## REPORT

[To accompany S. 1968]

The Committee on Agriculture and Forestry reported an original bill (S. 1968) to strengthen the wheat marketing quota and price support program, with a recommendation that it do pass.

## SHORT EXPLANATION

This bill, with respect to the 1960 and 1961 wheat crops, would—

(1) Provide price support at—

(i) 65 percent of parity if the producer elects to plant his full allotment,

(ii) 80 percent of parity if he elects to plant not more than 80 percent of his allotment;

(2) Impose penalties on the actual yield of the excess acres (or double the normal yield if the actual yield is not shown);

(3) Increase the marketing penalty to the basic support rate applicable to those who elect to plant their full allotment (65 percent of parity);

(4) Reduce the 15-acre exemption to 12, and restrict it to farms which planted wheat in 1957, 1958, or 1959 and to producers who produce wheat on only one farm;

(5) Make the 200-bushel exemption inapplicable;

(6) Prohibit price support (A) outside the commercial area and (B) if acreage allotments are not in effect; and

(7) Restrict to farms complying with their allotments the right to withdraw wheat stored from a previous crop to avoid penalty.

The bill would also permanently repeal authority to support prices to noncooperators for wheat, cotton, rice, peanuts, or tobacco.

## GENERAL STATEMENT

## SUPPLIES OF WHEAT

The total supply of wheat in the United States rose to a new all-time record of 2,352 million bushels for the 1958-59 marketing year. This was an increase of 26 percent over the 1,871 million bushel supply for the 1957-58 marketing year. This substantial increase in supply was a direct result of the alltime record production of 1,462 million bushels in 1958. The unusually favorable weather conditions throughout the major wheat producing area resulted in a yield of slightly over 27 bushels per acre, the highest of record and about 10 bushels above average.

The Department of Agriculture estimates a total crop in 1959 of about 1,220 million bushels, consisting of a winter wheat crop of about 966 million bushels and a spring wheat crop of about 254 million bushels. A crop of this size would be the fifth largest of record, 13 percent above the 10-year average of 1,075 million bushels, but 17 percent smaller than the alltime record established in 1958.

Total disappearance of wheat during the 1958-59 marketing year is estimated by the Department at 1,076 million bushels, consisting of domestic disappearance of 620 million bushels and exports of about 450 million bushels. On the basis of the supply and estimated disappearance, a carryover as of July 1, 1959, of about 1,285 million bushels is indicated. This is an increase of about 400 million bushels over the carryover of July 1, 1958.

## COMMODITY CREDIT CORPORATION HOLDINGS OF WHEAT

The Department of Agriculture estimates that as of June 30, 1959, the Commodity Credit Corporation will have approximately \$3,074 million invested in 1,239 million bushels of wheat. Of this total, CCC will own about 1,200 million bushels and will have outstanding loans on about 39 million bushels.

An additional increase is seen for June 30, 1960, when the Department estimates that CCC investment in wheat will rise to \$3,469 million, covering 1,442 million bushels of wheat (both owned and under loan).

## COMMITTEE STUDY

Because of the seriousness of the situation surrounding wheat, the committee decided to give priority to consideration of wheat legislation.

As soon as the President's farm message was received, the Secretary of Agriculture was invited to appear before the committee and elaborate on the wheat problem. Meetings for this purpose occurred on February 16 and 17. After giving his views, he was requested by the committee to submit his proposal in bill form. This was received by the committee on March 12. Arrangements were immediately made for hearings which were held during the period March 20 through 25. All major farm organizations and others interested in wheat were heard. The Department of Agriculture officials also testified. All appearing before the committee agreed that some action was necessary, but presented different and in some cases divergent views as to what should be done to reduce the pressure of



mounting wheat surpluses; and it was evident that no generally acceptable major changes in the program were possible.

Following these hearings the committee met in executive session and decided to hold further hearings on a committee print which had been developed as a stopgap measure to correct generally recognized deficiencies in the current program. These hearings were held on April 22. Again farm organizations, as well as the Department of Agriculture, presented divergent views to the committee. Following this hearing, the committee held numerous executive sessions in an effort to develop a wheat bill which would prevent further accumulation of surpluses and be less costly to the Government, but, at the same time, provide farmers with necessary price protection.

#### SECTION-BY-SECTION ANALYSIS

Except for section 3, the provisions of the bill relate only to wheat of the 1960 and 1961 crops.

##### *Section 1*

The first section of the bill requires the Secretary of Agriculture to offer each farm operator a choice between (A) price support at 65 percent of parity if he stays within his allotment, and (B) price support at 80 percent of parity if he reduces his wheat acreage to 80 percent of his allotment or less. (Under existing law the price support level is fixed by the Secretary at not more than 90 percent of parity and not less than a minimum fixed at some point from 75 to 90 percent of parity on the basis of supply and demand data. Reduction of wheat acreage below the farm acreage allotment is not required by existing law to qualify for price support. Price support for 1958 of \$1.82 per bushel, and the announced minimum price support for 1959 of \$1.81 per bushel represent 75 percent of parity.) A producer electing choice (B) would not be eligible for any price support on wheat raised on the farm if he should knowingly exceed 80 percent of the farm acreage allotment. A producer would be required to elect the same choice with respect to all farms operated by him, and all producers on such farms would be bound by such choice. Choice (A) and (B) support prices would be announced before the planting season and could not subsequently be increased or decreased. No price support would be made available if acreage allotment should not be in effect, and no price support could be made to noncooperators or to producers outside the commercial area. (Existing law provides price support outside the commercial area at 75 percent of the level applicable in the commercial area.) If marketing quotas should be disapproved, the support level to cooperators, complying with their allotments, would be 50 percent of parity as provided by existing law.

The additional acreage diverted from wheat production as a result of the election of choice (B) would be considered as wheat acreage for the purpose of computing future State, county, and farm acreage allotments. It would be considered wheat acreage of normal production in determining whether there has been underplanting or underproduction which would entitle the producer to withdraw wheat of a previous crop which has been stored to postpone the payment of penalty.

Commodity Credit Corporation's minimum resale price for wheat during the marketing years beginning in 1960 and 1961 would be 105

percent of 75 percent of parity (subject to appropriate adjustments, plus reasonable carrying charges). Section 407 of the Agricultural Act of 1949 fixes the minimum resale price at 5 percent above the current support price, plus reasonable carrying charges. Since the bill provides two support levels for the 1960 and 1961 crops, it also provides that a level between these two, or 75 percent of parity, would be deemed to be the support level for the purpose of applying section 407. Appropriate adjustments would of course be made for location, quality, and other factors.

Section 2 contains a number of provisions designed to strengthen marketing quotas by tightening up on penalties and exemptions.

#### *Subsection (a)*

Subsections (a), (c), and (e) redefined the term "marketing excess" (the quantity subject to marketing penalties) to make it—

(1) double the normal production of the excess acres, if the producer does not show his actual production, or

(2) the actual production of the excess acres, if the producer does show his actual production.

At present the marketing excess is—

(A) the normal production of the excess acres, if the producer does not show actual production, or

(B) the amount by which the actual production for the farm exceeds the normal production of the farm acreage allotment, if the producer does show his actual production.

Normal production is computed on the basis of 10-year average yields. Since yields have been increasing, the actual production of the excess acres may be considerably greater than the normal production on which the penalty is computed under existing law, making allotment violation advantageous in some cases. On the other hand, if the production should turn out to be less than normal, the quantity subject to penalty would be limited under existing law to the quantity, if any, produced in excess of the normal production of the farm acreage allotment. Thus whether actual production is above or below normal, the marketing excess subject to penalty under existing law is less than the actual yield of the excess acres. It is the purpose of this subsection to make the quantity actually produced on the excess acres subject to penalty. Since it may be difficult to determine actual production in the absence of a showing by the producer, the penalty under the bill would be double the normal production in the absence of such a showing.

#### EXAMPLES OF COMPUTATION OF MARKETING EXCESS UNDER EXISTING LAW AND UNDER BILL

(In each example the farm has an allotment of 100 acres and a normal yield of 15 bushels per acre and plants 120 acres)

##### EXAMPLE No. 1.—*Actual production above normal*

[Actual yield 22.5 bushels per acre]

	<i>Bushels</i>
(a) Normal production of excess acreage .....	300
(b) Actual production of excess acreage .....	450
(c) Marketing excess under existing law (1 times (a)) (producer would not show actual production in this case) .....	300
(d) Marketing excess under bill (2 times (a)) (in absence of showing of actual production) .....	600
(e) Marketing excess under bill (1 times (b)) (if producer shows actual production) .....	450



EXAMPLE No. 2.—*Actual production below normal*

{Actual yield 10 bushels per acre}

	<i>Bushels</i>
(a) Normal production of excess acreage-----	300
(b) Actual production of excess acreage-----	200
(c) Actual production of farm acreage allotment-----	1, 000
(d) Actual production for the farm-----	1, 200
(e) Normal production of farm acreage allotment-----	1, 500
(f) Marketing excess under existing law ((d) minus (e))-----	0
(g) Marketing excess under bill ((d) minus (c)) (assuming that producer would show actual production)-----	200

*Subsection (b)*

Subsection (b) increases the penalty rate from 45 percent of parity to the choice A support level, or 65 percent of parity.

*Subsection (c)*

See explanation of subsection (a).

*Subsection (d)*

Under existing law farms planting not more than 15 acres of wheat are exempt from quotas. Subsection (d) would reduce this exemption to 12 acres, restrict it to farms on which wheat was planted in 1957, 1958, or 1959, and make it applicable only if none of the producers of wheat on the farm also produce wheat on another farm. This subsection does not in any way affect the producer's right to produce up to 30 acres for use on the farm under the feed wheat exemption provisions of section 335(f) of the Agricultural Adjustment Act of 1938. Substantively this subsection, like the other subsections of this section, is applicable only to the 1960 and 1961 crops. However, it also permanently repeals some language concerning nonallotment farms which has not been applicable for many years, has no meaning in connection with the current program, and has been a source of confusion.

*Subsection (e)*

See explanation of subsection (a).

*Subsection (f)*

Section 326(b) of the Agricultural Adjustment Act of 1938, which is made applicable to wheat by paragraph (6) of Public Law 74, 77th Congress, provides for the withdrawal of wheat stored from a previous crop to postpone payment of penalty whenever the actual production of the farm falls below the normal production of the farm acreage allotment. Subsection (f) limits this privilege to farms complying with their allotments. This change conforms to the general purpose of the section to tighten up the quota law and put penalties on an actual yield basis. With penalties on an actual yield basis the producer would be subject to penalties on the actual yield of the excess acres so long as he had any production at all, even though his production might be far below the normal production of his farm acreage allotment. Since he would be subject to penalties in such case, it would not be appropriate to permit him to withdraw wheat stored from a previous crop. In some areas producers consistently overplant their allotments and store the excess to insure against recurring crop failures. This change would to a certain extent discourage that practice. It would not stop it entirely, however, since the producer



may adjust his planted acreage prior to harvest in order to come within his allotment.

*Subsection (g)*

Subsection (g) makes the 200-bushel exemption provided by section 335(d) of the Agricultural Adjustment Act of 1938 inapplicable. Section 335(d) provides that a farm marketing quota shall not be applicable to any farm on which the normal production of the planted acreage is less than 200 bushels. This exemption has not been important in recent years because the 15-acre exemption covered most cases which would have been covered by this exemption. Since the bill makes the 15-acre exemption inapplicable in many cases, the bill provides that the 200-bushel exemption shall be inapplicable in all cases.

*Section 3*

Section 3 of the bill, unlike the other provisions of the bill, would be permanently applicable and would apply to cotton, rice, peanuts, and tobacco, as well as wheat. Section 3 would permanently repeal the authority to make price support available to noncooperators for wheat, cotton, peanuts, rice, and tobacco.

*Section 4*

This section gives the bill a short title, "Wheat Act of 1959."

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, and wheat, if the supply percentage as of the beginning of the marketing year is:

*The level of support shall  
be not less than the  
following percentage of  
the parity price:*

Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

\* \* \* \* \*

(d) Notwithstanding the foregoing provisions of this section—

\* \* \* \* \*

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

[(5) price support may be made available to non-cooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.]

\* \* \* \* \*

(The following paragraph would, in effect, be suspended for the 1960 and 1961 crops.)

(7) Where a State is designated under section 335(e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat to cooperators in such State for such crop of wheat shall be 75 per centum of the level of price support to cooperators in the commercial wheat-producing area.

\* \* \* \* \*

SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The Secretary is authorized and directed to offer the operator of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, a choice of—

(A) complying with the farm acreage allotment determined pursuant to the Agricultural Adjustment Act of 1938, as amended, with price support at 65 per centum of the parity price therefor, or

(B) reducing the acreage of wheat below the farm acreage allotment by not less than 20 per centum of such allotment with price support at 80 per centum of the parity price therefor.

To be eligible for price support, producers who elect choice (B) must not knowingly exceed the wheat acreage for the farm applicable under such choice. Any person operating more than one farm, in order to be eligible for choice (B), must elect such choice for all farms for which he is the operator. The Secretary shall determine and announce the support price for producers who elect choice (A) and choice (B), respectively, in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative choices available to him. The operator of each farm, within the time prescribed by the Secretary, shall notify the county committee in writing whether he desires choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have elected choice (A). The choice elected by the operator shall apply to all the producers on the farm. Price support under this section shall be made available only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to co-operators shall be as provided in section 101(d)(3). Whether marketing quotas are approved or disapproved, price support shall be made available only if acreage allotments under the Agricultural Adjustment Act of 1938, as amended, are in effect for the crop and only to cooperators. No price support for wheat shall be made available to producers outside the commercial wheat-producing area. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat in order to be eligible for price support as provided in choice (B) shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 2(f) of the Wheat Act of 1959, relating to reduction of the storage amount of wheat, the acreage of wheat determined by the Secretary to have been diverted in



*order to be eligible for price support as provided in choice (B) shall be regarded as wheat acreage of normal production on the farm. For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 per centum of the parity price as of the beginning of the marketing year.*

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(The changes in existing law shown from this point on would be effective only for the 1960 and 1961 crops, except as indicated by footnote. References in existing law to corn are no longer effective.)

PUBLIC LAW 74, 77TH, CONGRESS

That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota [under the Act] for any crop of wheat shall be the actual production of the acreage planted to *such crop of wheat* on the farm, less the [normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat] *the farm marketing excess*. [The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.

The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be.] *The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. [For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.] Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment.*

(In lieu of the rate provided by the following paragraph, the rate would be the choice (A) support rate (65 percent of parity).)

(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(3) The farm marketing excess for [corn and] wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of *wheat* to be delivered to the Secretary [of the commodity] shall be computed upon *double* the normal production of the excess acreage. [Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal production thereof]. *If the farm marketing excess so computed is adjusted downward on the basis of actual production*, the difference between the amount of the penalty or storage [as] computed [upon] on the basis of *double the* normal production and as computed [upon the basis of] on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of [the commodity] *wheat* for the farm [may] shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any [corn or] wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or [in] foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon corn or wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to



be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat.

(7) A farm marketing quota on **[corn or]** *any crop of wheat* shall not be applicable to any farm on which the acreage planted to **[the commodity is not in excess of]** *wheat for such crop does not exceed fifteen acres: Provided, however, That on farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—*

(i) *any farm on which the acreage of wheat exceeds 12 acres;*

(ii) *any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and*

(iii) *any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm.*

**[The marketing penalty on corn or wheat shall not be applicable to any farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of fifteen acres or the acreage allotment for the farm, whichever is larger. If the acreage of the commodity harvested on any such nonallotment farm is in excess of fifteen acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of fifteen acres or such acreage allotment, whichever is larger, shall be taken as the farm marketing excess and shall be subject to penalty: *Provided, That there shall be no penalty on wheat harvested on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program: *Provided further, That for the marketing year beginning in 1941, there shall be no marketing penalty on wheat with respect to any such nonallotment farm if the acreage of wheat harvested on the farm is not in excess of the usual acreage determined for the farm under the 1941 agricultural conservation program and the county committee determines, in accordance with regulations of the Secretary, that there will not be marketed an amount of wheat in excess of the 1941 farm marketing quota.****<sup>1</sup>

<sup>1</sup> The changes made in paragraph (7) are permanent, but effect only the 1960 and 1961 crops. The language deleted is no longer applicable.



(8) Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

(9) (Not applicable to wheat.)

(10) (Applicable only through the 1946 crop.)

(11) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301(b)(6), 323(b), or 335(d) of the Act.

[(12) Notwithstanding any of the foregoing provisions, the farm marketing excess for any crop of wheat for any farm shall not be larger than the amount by which the actual production of such crop of wheat on the farm exceeds the normal production of the farm wheat-acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary. Where a downward adjustment in the amount of the farm marketing excess is made pursuant to the provisions of this paragraph, the difference between the amount of the penalty or storage as computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.]

#### The Agricultural ADJUSTMENT ACT of 1938

\* \* \* \* \*

SEC. 326. \* \* \*

(b) [Whenever, upon any farm,] *If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of [the acreage of corn] such crop of wheat on the farm is less than the normal production of the [marketing percentage of the] farm wheat acreage allotment, [there may be marketed, without penalty, from such farm an amount of corn from the corn stored under seal pursuant to section 324 which, together with the actual production of the then current crop, will equal the normal production of the marketing percentage of the farm acreage allotment.]*<sup>2</sup> *; an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties.*

\* \* \* \* \*

<sup>2</sup> This subsection was made effective for wheat by paragraph (6) of Public Law 74, 77th Cong., is no longer applicable to corn.

SEC. 335. \* \* \*

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[(d) No farm marketing quota with respect to wheat shall be applicable in any marketing year to any farm on which the normal production of the acreage planted to wheat of the current crop is less than two hundred bushels.]







Calendar No. 283

86TH CONGRESS  
1ST SESSION

**S. 1968**

[Report No. 295]

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IN THE SENATE OF THE UNITED STATES

MAY 18, 1959

Reported, under authority of the order of the Senate of May 15, 1959, by Mr. ELLENDER, from the Committee on Agriculture and Forestry, and placed on the calendar

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**A BILL**

To strengthen the wheat marketing quota and price support program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That title 1 of the Agricultural Act of 1949, as amended,  
4       is amended by adding the following new section:

5       “SEC. 106. Notwithstanding the provisions of section  
6       101 of this Act, for each of the 1960 and 1961 crops of  
7       wheat price support shall be made available as provided in  
8       this section. The Secretary is authorized and directed to  
9       offer the operator of each farm for which an allotment is  
10      established under the Agricultural Adjustment Act of 1938,  
11      as amended, a choice of—

1           “(A) complying with the farm acreage allotment  
2       determined pursuant to the Agricultural Adjustment Act  
3       of 1938, as amended, with price support at 65 per  
4       centum of the parity price therefor, or

5           “(B) reducing the acreage of wheat below the farm  
6       acreage allotment by not less than 20 per centum of  
7       such allotment with price support at 80 per centum  
8       of the parity price therefor.

9   To be eligible for price support, producers, who elect  
10 choice (B) must not knowingly exceed the wheat acreage  
11 for the farm applicable under such choice. Any person  
12 operating more than one farm, in order to be eligible for  
13 choice (B), must elect such choice for all farms for which  
14 he is the operator. The Secretary shall determine and an-  
15 nounce the support price for producers who elect choice  
16 (A) and choice (B), respectively, in advance of the plant-  
17 ing season on the basis of the statistics and other information  
18 available at that time, and such support price shall be final.  
19 As soon as practicable after such announcement, the Secre-  
20 tary shall cause the operator (as shown on the records  
21 of the county committee) of each farm for which an allot-  
22 ment is established under the Agricultural Adjustment Act  
23 of 1938, as amended, to be notified of the alternative choices  
24 available to him. The operator of each farm, within the  
25 time prescribed by the Secretary, shall notify the county

1 committee in writing whether he desires choice (B) to be  
2 effective for the farm. If the operator fails to so notify the  
3 county committee within the time prescribed, he shall be  
4 deemed to have elected choice (A). The choice elected by  
5 the operator shall apply to all the producers on the farm.  
6 Price support under this section shall be made available only  
7 if producers have not disapproved marketing quotas for the  
8 crop. In case marketing quotas are disapproved, price  
9 support to cooperators shall be as provided in section  
10 101 (d) (3). Whether marketing quotas are approved or  
11 disapproved, price support shall be made available only if  
12 acreage allotments under the Agricultural Adjustment Act of  
13 1938, as amended, are in effect for the crop and only to  
14 cooperators. No price support for wheat shall be made  
15 available to producers outside the commercial wheat-produc-  
16 ing area. The acreage on any farm which is determined  
17 under regulations of the Secretary to have been diverted  
18 from the production of wheat in order to be eligible for price  
19 support as provided in choice (B) shall be considered acreage  
20 devoted to wheat for the purposes of establishing future State,  
21 county, and farm acreage allotments under the Agricultural  
22 Adjustment Act of 1938, as amended. In applying the pro-  
23 visions of paragraph (6) of Public Law 74, Seventy-seventh  
24 Congress (7 U.S.C. 1340 (6)), and section 2 (f) of the  
25 Wheat Act of 1959, relating to reduction of the storage



1 amount of wheat, the acreage of wheat determined by the  
2 Secretary to have been diverted in order to be eligible for  
3 price support as provided in choice (B) shall be regarded  
4 as wheat acreage of normal production on the farm. For  
5 the purposes of section 407 of the Agricultural Act of 1949  
6 the current support price shall for each of the 1960 and 1961  
7 crops of wheat be deemed to be a price determined on the  
8 basis of a level of support of 75 per centum of the parity  
9 price as of the beginning of the marketing year.”

10 SEC. 2. (a) In lieu of the provisions of item (1) of  
11 Public Law 74, Seventy-seventh Congress, as amended, the  
12 following provisions shall apply to the 1960 and 1961 crops  
13 of wheat:

14 “(1) The farm marketing quota for any crop of wheat  
15 shall be the actual production of the acreage planted to such  
16 crop of wheat on the farm less the farm marketing excess.  
17 The farm marketing excess shall be an amount equal to  
18 double the normal yield of wheat per acre established for the  
19 farm multiplied by the number of acres planted to such crop  
20 of wheat on the farm in excess of the farm acreage allotment  
21 for such crop unless the producer, in accordance with regula-  
22 tions prescribed by the Secretary and within the time pre-  
23 scribed therein, establishes to the satisfaction of the Secre-  
24 tary the actual production of such crop of wheat on the  
25 farm. If such actual production is so established the farm

1 marketing excess shall be such actual production less the  
2 actual production of the farm wheat acreage allotment.  
3 Actual production of the farm wheat acreage allotment  
4 shall mean the actual average yield per harvested acre of  
5 wheat on the farm multiplied by the number of acres con-  
6 stituting the farm acreage allotment.”

7 (b) Notwithstanding the provisions of item (2) of  
8 Public Law 74, Seventy-seventh Congress, as amended (7  
9 U.S.C. 1340 (2) ), the rate of penalty on wheat of the 1960  
10 and 1961 crops shall be a rate per bushel equal to the sup-  
11 port price per bushel established for producers electing  
12 choice (A) under section 106 of the Agricultural Act of  
13 1949, as amended.

14 (c) In lieu of the provisions of item (3) of Public Law  
15 74, Seventy-seventh Congress, as amended, the following  
16 provisions shall apply to the 1960 and 1961 crops of wheat:

17 “(3) The farm marketing excess for wheat shall be  
18 regarded as available for marketing, and the penalty and the  
19 storage amount or amounts of wheat to be delivered to the  
20 Secretary shall be computed upon double the normal produc-  
21 tion of the excess acreage. If the farm marketing excess  
22 so computed is adjusted downward on the basis of actual  
23 production, the difference between the amount of the penalty  
24 or storage computed on the basis of double the normal  
25 production and as computed on actual production shall be

1 returned to or allowed the producer or a corresponding  
2 adjustment made in the amount to be delivered to the Secre-  
3 tary if the producer elects to make such delivery. The  
4 Secretary shall issue regulations under which the farm  
5 marketing excess of wheat for the farm shall be stored or  
6 delivered to him. Upon failure to store, or deliver to the  
7 Secretary, the farm marketing excess within such time as  
8 may be determined under regulations prescribed by the  
9 Secretary the penalty computed as aforesaid shall be paid  
10 by the producer. Any wheat delivered to the Secretary  
11 hereunder shall become the property of the United States  
12 and shall be disposed of by the Secretary for relief purposes  
13 in the United States or foreign countries or in such other  
14 manner as he shall determine will divert it from the normal  
15 channels of trade and commerce.”

16 (d) Item (7) of Public Law 74, Seventy-seventh Con-  
17 gress, as amended, is amended to read as follows:

18 “(7) A farm marketing quota on any crop of wheat  
19 shall not be applicable to any farm on which the acreage  
20 planted to wheat for such crop does not exceed fifteen acres:

21 *Provided, however,* That a farm marketing quota on the 1960  
22 and 1961 crops of wheat shall be applicable to—

23 “(i) any farm on which the acreage of wheat ex-  
24 ceeds twelve acres;

25 “(ii) any farm on which any wheat is planted if



1 no wheat was planted on such farm for harvest in the  
2 calendar years 1957, 1958, and 1959; and

3 “(iii) any farm on which any wheat is planted if  
4 any of the producers who share in the wheat produced  
5 on such farm share in the wheat produced on any other  
6 farm.”

7 (e) Item (12) of Public Law 74, Seventy-seventh  
8 Congress, as amended, shall not be applicable to the 1960  
9 and 1961 crops of wheat.

10 (f) In lieu of the provisions of section 326 (b) of the  
11 Agricultural Adjustment Act of 1938, as amended, the fol-  
12 lowing provisions shall apply to the 1960 and 1961 crops  
13 of wheat:

14 “(b) If a farm is in compliance with its farm acreage  
15 allotment for any crop of wheat and the actual production  
16 of such crop of wheat on the farm is less than the normal  
17 production of the farm wheat acreage allotment; an amount  
18 equal to the deficiency may be marketed without penalty  
19 from wheat of previous crops stored by the producers on the  
20 farm to postpone the payment of marketing quota  
21 penalties.”

22 (g) Section 335 (d) of the Agricultural Adjustment  
23 Act of 1938, as amended, shall not be applicable to the 1960  
24 and 1961 crops of wheat.

1        SEC. 3. Section 101 (d) of the Agricultural Act of 1949,  
2 as amended, is amended by striking out paragraph (5).

3        SEC. 4. This Act may be cited as the "Wheat Act of  
4 1959".

Calendar No. 283

86TH CONGRESS  
1ST SESSION

**S. 1968**

[Report No. 295]

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# **A BILL**

To strengthen the wheat marketing quota and  
price support program.

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By Mr. ELLENDER

May 18, 1959

Placed on the calendar







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
  
(For Department  
Staff Only)

## CONTENTS

Issued May 20, 1959  
For actions of May 19, 1959  
86th-1st, No. 80

Agricultural		
appropriations.....	10,28	
Alaska.....	12	
Appropriations		
.....	4,10,17,28,40	
Area redevelopment.....	26	
Banking.....	15	
Cooperatives.....	21	
Cotton.....	23	
Credit unions.....	31	
Dairy industry.....	25	
Eggs.....	27	
Electrification.....	6	
Grain storage.....	45	
Farm loans.....	30	
Farm program.....	22,34,43	
Foreign aid.....	18,39	
Foreign currencies.....	3	
Forestry.....	7,13,20	
Gasoline tax.....	35	
Holidays.....	44	
Honey.....	32	
Housing.....	16	
Industrial uses.....	37	
Inflation.....	24	
Labor standards.....	8	
Marketing.....	32	
Military construction.....	50	
Milk.....	47	
Peanuts.....	48	
Personnel.....	36,44	
Prices.....	41	
Reclamation.....	5,23	
Research.....	16,46	
Small grains.....	9	
Subsidies.....	29	
Surplus commodities.....	42	
Tobacco.....	2,49	
Transportation.....	14	
Vehicles.....	36	
Water.....	14	
Wheat.....	1,11,19,33,38	

HIGHLIGHTS: Senate committee reported: Wheat price support bill. Tobacco price support bill. House committee approved wheat price support bill. House debated housing bill. Rep. Broomfield introduced and discussed farm bill. Rep. Langen urged full parity for small grain farmers. Rep. Cooley urged defeat of proposed amendment to USDA appropriation bill limiting CCC loans. Sen. Murray and other ens., and Reps. Anderson, Mont., and Burdick introduced and Sen. Murray discussed bill to extend FHA's authority to make refinancing loans and emergency loans. Sen. Humphrey introduced and discussed wheat price support bill.

## SEBATE

1. WHEAT. The Agriculture and Forestry Committee reported during recess, May 18, an original bill, S. 1968, to modify acreage allotments and marketing quotas for wheat (S. Rept. 295). p. 7513
2. TOBACCO. The Agriculture and Forestry Committee reported without amendment S. 1901, to modify price support requirements for tobacco (S. Rept. 297). p. 7518
3. FOREIGN CURRENCIES. The Armed Services Committee reported with amendment H. R. 5674, to authorize certain construction at military installations, including provisions for the use of foreign currencies received under Public Law 480 for foreign military housing (S. Rept. 296). p. 7518

4. APPROPRIATIONS. A subcommittee of the Appropriations Committee ordered reported to the full committee H. R. 5805, the Treasury-Post Office appropriation bill for 1960. p. D369
5. RECLAMATION. Passed with amendment S. 72, to authorize Interior to construct the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project. (pp. 7603-07) Sens. Williams, Del., and Lausche opposed passage of the bill, contending that this new acreage would increase the production of agricultural commodities already in surplus supply. (pp. 7605-07)  
Sen. Moss expressed satisfaction over the initiation of construction of the Stanaker Dam, Utah, and stated that it "will provide supplemental irrigation for about 14,700 acres of productive land which is constantly threatened by water shortages." p. 7556
6. ELECTRIFICATION. Sen. Gruening urged the development of hydroelectric power facilities in Alaska, and inserted a newspaper editorial discussing the matter. p. 7582
7. FORESTRY. Sen. Cannon inserted a Nev. Legislature resolution opposing enactment of legislation to establish wilderness preservation areas. p. 7515  
Sen. Humphrey inserted a Beltrami Co., Minn., Board of Commissioners resolution urging favorable consideration of the Secretary's recommendations on a program for the development of the national forests. p. 7517
8. LABOR STANDARDS. Received from the Labor Department a proposed bill "to amend the Fair Labor Standards Act of 1938", to Labor and Public Welfare Committee. p. 7515

HOUSE

9. SMALL GRAINS. Rep. Langen stated that farmers are "not responsible for the surpluses of barley and oats" and that imports of barley in the last 10 years are greater than the surpluses in that period, while imports of oats are "approximately equal to the surplus on hand today," and urged full parity for the small grain farmers. p. 7677
10. AGRICULTURAL APPROPRIATION BILL. Rep. Cooley urged the defeat of a proposed amendment to the 1960 agricultural appropriation bill to restrict to \$50,000 CCC loans to individual producers, stating that it would "destroy the farm program." p. 7679
11. WHEAT. The Agriculture Committee "approved the provisions of H. R. 7118, as amended, concerning price supports for wheat, and directed the chairman to introduce a clean bill which will incorporate the language of H. R. 7118 as amended." p. D371
12. ALASKA. The Interior and Insular Affairs Committee reported without amendment H. R. 7120, to amend certain laws of the United States in light of the admission of Alaska into the Union (H. Rept. 369). p. 7679
13. FORESTRY. The Government Operations Committee reported with amendment S. 900, to amend sec. 204 (b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of GSA to pay direct expenses in connection with the utilization of excess real property and related personalty (H. Rept. 368). p. 7679



86TH CONGRESS  
1ST SESSION

# H. R. 7246

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1959

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That title I of the Agricultural Act of 1949, as amended, is  
4       amended by adding the following new section:

5       “SEC. 106. Notwithstanding the provisions of section  
6       101 of this Act, for each of the 1960 and 1961 crops of  
7       wheat price support shall be made available as provided in  
8       this section. The support price for each such crop shall be  
9       90 per centum of the parity price therefor. Wheat of any  
10      such crop shall be eligible for price support only if (1)

1 the farm on which the wheat is produced is in compliance  
2 with the farm wheat acreage allotment for such crop, and  
3 (2) the total acreage on the farm devoted to the production  
4 of crops supported under the Agricultural Act of 1949, as  
5 amended, which would normally be harvested in the calendar  
6 year in which the wheat crop for which the producer applies  
7 for price support is normally harvested, does not exceed  
8 the total average annual acreage on the farm devoted to  
9 the production of such price supported crops for harvest in  
10 1957 and 1958, less an acreage equal to 30 per centum of  
11 the farm acreage allotment for the crop of wheat for which  
12 application for price support is made which would be in  
13 effect for the farm except for the reduction thereof as pro-  
14 vided in section 344 (c) (2) of the Agricultural Adjustment  
15 Act of 1938, as amended: *Provided, however,* That a farm  
16 shall be deemed in compliance with the foregoing require-  
17 ments for price support for wheat if no crop other than  
18 wheat supported under the Agricultural Act of 1949, as  
19 amended, is produced on the farm for harvest in 1960 or  
20 1961, whichever is applicable, and the farm is in compli-  
21 ance with the farm wheat acreage allotment. In accord-  
22 ance with regulations prescribed by the Secretary, the acre-  
23 age of such price supported crops for 1957 and 1958 may  
24 be adjusted for abnormal weather conditions, established  
25 crop-rotation practices for the farm, diversion under soil

1 bank programs, and to reflect history acreage preserved  
2 under section 377 of the Agricultural Adjustment Act of  
3 1938, as amended, to the extent of any unused allotment  
4 not diverted to the production of such price supported crops.  
5 For the purposes of this section a producer shall not be  
6 deemed to have exceeded the farm acreage allotment or the  
7 acreage of permitted price supported crops for the farm un-  
8 less the producer knowingly exceeded such allotment or  
9 permitted acreage. In addition, for the 1960 or 1961 crops  
10 of wheat, if the producers on the farm meet the foregoing  
11 requirements for price support and, in accordance with reg-  
12 ulations prescribed by the Secretary, designate an acreage  
13 on the farm equal to the 30 per centum reduction in the  
14 farm acreage allotment required under section 344 (c) (2)  
15 of the Agricultural Adjustment Act, as amended, for the  
16 particular crop of wheat and do not produce any crop  
17 thereon which is normally harvested in the calendar year  
18 in which the particular crop of wheat is normally harvested  
19 and do not graze such acreage during such year, such pro-  
20 ducers shall be entitled to a wheat payment in kind from  
21 Commodity Credit Corporation stocks equal in value to one-  
22 third of the average annual yield in bushels of wheat per  
23 harvested acre on the farm for the three years immediately  
24 preceding the year for which the designation is made, ad-  
25 justed for abnormal weather conditions and as determined



1 under regulations prescribed by the Secretary, multiplied  
2 by the number of designated acres. Such wheat may be  
3 marketed without penalty but shall not be eligible for price  
4 support. The payment in kind shall be made by the issu-  
5 ance of a negotiable certificate which Commodity Credit  
6 Corporation shall redeem in wheat equal in value to the  
7 value of the certificate. The certificate shall have a value  
8 equal to the number of bushels determined as aforesaid mul-  
9 tiplied by the basic county support rate per bushel for num-  
10 ber one wheat of the crop normally harvested in the year  
11 for which the acreage is designated and for the county in  
12 which the designated acreage is located. The wheat re-  
13 deemable for such certificate shall be valued at the market  
14 price thereof as determined by Commodity Credit Corpora-  
15 tion. The Secretary shall provide by regulation for the  
16 sharing of a certificate among producers on the farm on a  
17 fair and equitable basis. The acreage on the farm which  
18 would otherwise be eligible to be placed in the conservation  
19 reserve program for 1960 or 1961 shall be reduced by an  
20 amount equal to the required reduction of 30 per centum  
21 under section 344 (c) of the Agricultural Adjustment Act  
22 of 1938, as amended, for the wheat crop of the correspond-  
23 ing year. Price support at 90 per centum of parity under  
24 this section shall be made available only to cooperators and  
25 only if producers have not disapproved marketing quotas

1 for the crop. In case marketing quotas are disapproved,  
 2 price support shall be made available to cooperators and non-  
 3 cooperators at 50 per centum of parity: *Provided, however,*  
 4 That for the purpose of section 407 of the Agricultural Act  
 5 of 1949, as amended, the current support price for wheat  
 6 shall be determined on the basis of a price support level for  
 7 wheat of 75 per centum of the parity price therefor.”

8 SEC. 2. (a) In lieu of the provisions of item (1) of  
 9 Public Law 74, Seventy-seventh Congress, as amended, the  
 10 following provisions shall apply to the 1960 and 1961 crops  
 11 of wheat:

12 “(1) If a national marketing quota for wheat is in effect  
 13 for any marketing year, farm marketing quotas shall be in  
 14 effect for the crop of wheat which is normally harvested in  
 15 the calendar year in which such marketing year begins.  
 16 The farm marketing quota for any crop of wheat shall be  
 17 the actual production of the acreage planted to such crop of  
 18 wheat on the farm less the farm marketing excess. The  
 19 farm marketing excess shall be an amount equal to double the  
 20 normal yield of wheat per acre established for the farm  
 21 multiplied by the number of acres planted to such crop of  
 22 wheat on the farm in excess of the farm acreage allotment  
 23 for such crop unless the producer, in accordance with regula-  
 24 tions prescribed by the Secretary and within the time pre-

1 scribed therein, establishes to the satisfaction of the Secretary  
2 the actual production of such crop of wheat on the farm. If  
3 such actual production is so established the farm marketing  
4 excess shall be such actual production less the actual produc-  
5 tion of the farm wheat acreage allotment: *Provided, how-*  
6 *ever,* That the farm marketing excess shall be adjusted to  
7 zero if the total actual production on the farm does not  
8 exceed the normal production of the farm wheat acreage  
9 allotment. Actual production of the farm wheat acreage al-  
10 lotment shall mean the actual average yield per harvested  
11 acre of wheat on the farm multiplied by the number of acres  
12 constituting the farm acreage allotment. In determining the  
13 actual average yield per harvested acre of wheat and the  
14 actual production of wheat on the farm any acreage utilized  
15 for feed without threshing after the wheat is headed, or avail-  
16 able for such utilization at the time the actual production is  
17 determined, shall be considered harvested acreage and the  
18 production thereof in terms of grain shall be appraised in  
19 accordance with regulations prescribed by the Secretary and  
20 such production included in the actual production of wheat  
21 on the farm. The acreage planted to wheat on a farm shall  
22 include all acreage planted to wheat for any purpose and  
23 self-seeded (volunteer) wheat, but shall not include any  
24 acreage that is disposed of prior to harvest in accordance  
25 with regulations prescribed by the Secretary."



(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2) ), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

“(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver

1 to the Secretary, the farm marketing excess within such  
2 time as may be determined under regulations prescribed by  
3 the Secretary the penalty computed as aforesaid shall be  
4 paid by the producer. Any wheat delivered to the Secre-  
5 tary hereunder shall become the property of the United  
6 States and shall be disposed of by the Secretary for relief  
7 purposes in the United States or foreign countries or in such  
8 other manner as he shall determine will divert it from the  
9 normal channels of trade and commerce."

10 (d) Item (7) Public Law 74, Seventy-seventh Con-  
11 gress, as amended (7 U.S.C. 1340 (7) ) is amended to  
12 read as follows:

13 "(7) A farm marketing quota on any crop of wheat  
14 shall not be applicable to any farm on which the acreage  
15 planted to wheat for such crop does not exceed 15 acres:  
16 *Provided, however,* That a farm marketing quota on the  
17 1960 and 1961 crops of wheat shall be applicable to any  
18 farm on which the acreage of wheat exceeds the smaller of  
19 (1) 12 acres or (2) the highest number of acres planted  
20 to wheat on the farm for harvest in the calendar years 1957,  
21 1958, or 1959."

22 SEC. 3. Item (12) of Public Law 74, Seventy-  
23 seventh Congress, as amended (7 U.S.C. 1340 (12) ) shall  
24 not be applicable with respect to the 1960 and 1961 crops  
25 of wheat.

1        SEC. 4. The Agricultural Adjustment Act of 1938, as  
2 amended, is amended as follows:

3        (a) Section 334 is amended by inserting “(1)” after  
4 “(c)” and adding a new subparagraph (2) following sub-  
5 paragraph (c) (1) to read as follows:

6        “(2) Notwithstanding any other provision of law, each  
7 old or new farm acreage allotment for the 1960 and 1961  
8 crops of wheat as determined on the basis of a minimum na-  
9 tional acreage allotment of fifty-five million acres shall be  
10 reduced by 30 per centum. In the event notices of farm  
11 acreage allotments for the 1960 crop of wheat have been  
12 mailed to farm operators prior to the effective date of this  
13 subparagraph (2) new notices showing the required reduc-  
14 tion shall be mailed to farm operators as soon as practicable.”

15        (b) Section 334 is further amended by inserting a new  
16 paragraph (d) between paragraphs (c) and (e) to read  
17 as follows:

18        “(d) For the purposes of paragraphs (a), (b), and  
19 (c) of this section any farm on which the farm marketing  
20 excess is adjusted to zero because of underproduction pur-  
21 suant to applicable provisions of law shall be regarded as a  
22 farm on which the entire amount of the farm marketing  
23 excess has been delivered to the Secretary or stored in ac-  
24 cordance with applicable regulations to avoid or postpone  
25 the payment of the penalty.”



1       (c) Subsection (f) of section 335 is amended by  
2 striking out the semicolon at the end of item (1) and add-  
3 ing "and shall not apply to other farms with respect to the  
4 1960 and 1961 crops;".

5       (d) Section 336 is amended to read as follows:

6       "SEC. 336. Between the date of issuance of any procla-  
7 mation of any national marketing quota for wheat and July  
8 25 of the year in which the proclamation is made the Secre-  
9 tary shall conduct a referendum by secret ballot to determine  
10 whether farmers favor or oppose such quota. Farmers eli-  
11 gible to vote in such referendum shall be farmers who were  
12 engaged in the production of the crop of wheat normally  
13 harvested in the calendar year immediately preceding the  
14 calendar year in which the referendum is held on a farm that  
15 was not exempted from farm marketing quotas on such crop  
16 of wheat under applicable provisions of law. Any acreage  
17 considered as being devoted to wheat in establishing future  
18 allotments under applicable provisions of law shall be con-  
19 sidered as wheat-producing acreage for the purpose of de-  
20 termining eligibility to vote. If the Secretary determines  
21 that more than one-third of the farmers voting in the referen-  
22 dum oppose such quota he shall prior to the effective date  
23 of such quota by proclamation suspend the operation of the  
24 national marketing quotas with respect to wheat".

1       (e) Section 362 is amended by deleting the second  
2 sentence thereof.

3       SEC. 5. Subsections (b) and (c) of section 335 of the  
4 Agricultural Adjustment Act of 1938, as amended, are here-  
5 by repealed and subsection (d) of said section is repealed  
6 effective beginning with the 1960 crop of wheat.

86TH CONGRESS  
1ST SESSION

**H. R. 7246**

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# **A BILL**

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To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

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By Mr. COOLEY

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MAY 19, 1959

Referred to the Committee on Agriculture







# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

## CONTENTS

Issued May 21, 1959  
For actions of May 20, 1959  
86th-1st, No. 81

Agricultural	
appropriations.....	13
Appropriations	
.....6,17,18,19,44	
CCC.....	22
CCC investigation.....	2
Commodity loans.....	13,21
Conservation.....	15
Cotton.....	3
Economic report.....	27
Education.....	38
Eggs.....	23
Electrification.....	29
Farm housing.....	22
Farm program.....	1,34
Fats and oils.....	9
Flood protection.....	16,42
Foreign currencies.....	7
Forestry.....	14,20,26
Housing.....	22
Labor standards.....	39
Lands.....	43
Legislative program.....	17
Marketing.....	41

Natural resources.....	25
Peanuts.....	3
Personal property.....	35
Personnel.....	13,35
Price supports.....	1
Public Law 480.....	7
Purchasing.....	36
REA.....	22
Recreation.....	40
Reorganization.....	8,23
Research.....	12,22
Rice.....	3,30
Roads.....	10,37
School lunch.....	1
Soil and	
water laboratory.....	12
Soil bank.....	32
Stockpile.....	1
Sugar.....	11
Tobacco.....	3,4,22
Transportation.....	31
Water resources.....	16
Watersheds.....	5
Wheat.....	1,3,24,33

HIGHLIGHTS: House passed agricultural appropriation bill. Sen. Capehart urged either repeal of price support laws or increase in price support payments. Senate committee appointed subcommittee to investigate CCC operations. Senate to consider tobacco price support bill today. Senate passed over consideration of wheat price support bill. Received from President International Sugar Agreement.

## SENATE

1. FARM PROGRAM. Sen. Capehart submitted and discussed amendments to S. 1968, to modify price supports and acreage allotments for wheat. He stated that his amendments would repeal all price supports on farm commodities beginning Jan. 1, 1960, would freeze the surplus stockpile, except for certain purposes, would permit sale from the stockpile for export, for the school lunch program, and for grants to feed hungry people, and would permit the President to sell in the domestic market anything from the stockpile at 100 percent of parity. He stated that "Either we must repeal the price support laws, which my amendment would do, or we must go back to 90 to 100 percent of parity, because the system under which we are operating will not work," and that "We cannot continue to



spend \$5 billion a year on price supports, or \$6½ billion a year to operate the Department of Agriculture, when all that is being accomplished is the building up of further surpluses, without doing any good for the farmers." Sen. Humphrey criticized administration farm policies, and stated that Sen. Capehart "has stated for us quite clearly what he believes to be the attitude of the Secretary of Agriculture and the administration." Sen. Capehart replied that he had not discussed his proposal with anyone. pp. 7761-5

2. CCC INVESTIGATION. The Agriculture and Forestry Committee appointed a special subcommittee to investigate activities and operations of the Commodity Credit Corporation, and all activities related thereto. Members of the subcommittee are Sens. Symington, Chairman, Humphrey, Talmadge, Proxmire, Young, N. Dak., and Williams, Del. p. D374
3. WHEAT. Passed over, at the request of Sen. Engle, S. 1968, to revise price supports and acreage allotments for wheat. p. 7728  
The committee report on the bill states that it would:  
"(1) Provide price support at --  
    "(i) 65 percent of parity if the producer elects to plant his full allotment,  
    "(ii) 80 percent of parity if he elects to plant not more than 80 percent of his allotment;  
    "(2) Impose penalties on the actual yield of the excess acres (or double the normal yield if the actual yield is not shown);  
    "(3) Increase the marketing penalty to the basic support rate applicable to those who elect to plant their full allotment (65 percent of parity);  
    "(4) Reduce the 15-acre exemption to 12, and restrict it to farms which planted wheat in 1957, 1958, or 1959 and to producers who produce wheat on only one farm;  
    "(5) Make the 200-bushel exemption inapplicable;  
    "(6) Prohibit price support (A) outside the commercial area and (B) if acreage allotments are not in effect; and  
    "(7) Restrict to farms complying with their allotments the right to withdraw wheat stored from a previous crop to avoid penalty.  
"The bill would also permanently repeal authority to support prices to non-cooperators for wheat, cotton, rice, peanuts, or tobacco."
4. TOBACCO. Passed over, at the request of Sen. Engle, S. 1901, to modify price supports for tobacco. Sen. Mansfield announced that this bill will be taken up Thurs., May 21. pp. 7729, 7760-1
5. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: American Fork-Dry Creek, Utah; Big Park, Iowa; Jennings, Tenn.; and Little Paint Creek, Ala. p. D374
6. APPROPRIATIONS. A subcommittee of the Appropriations Committee ordered reported with amendment H. R. 5676, the D. C. appropriation bill for 1960. p. D374
7. FOREIGN CURRENCIES. Passed over, at the request of Sen. Engle, H. R. 5674, to authorize construction at military installations, including provisions for the use of foreign currencies received under Public Law 480 for foreign military housing. p. 7728
8. REORGANIZATION. Passed over, on objection by Sen. Long, S. 1474, to extend the Reorganization Act of 1949 for two years, until June 1, 1961. pp. 7712-3

9. FATS AND OILS. Passed without amendment H. R. 147, to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations, or mixtures thereof. This bill will now be sent to the President. p. 7714
10. ROADS. Passed without amendment H. R. 4695, to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of highway construction from 5 to 7 years. This bill will now be sent to the President. p. 7719
11. SUGAR. Received from the President a certified copy of the International Sugar Agreement of 1958, dated at London, Dec. 1, 1958, and a report from the State Department explaining the purposes and provisions of the agreement. p. 7682
12. RESEARCH. Passed over, at the request of Sen. Engle, S. 690, to provide for increased research on the industrial use of agricultural products. p. 7702  
Received a Nebr. Legislature resolution favoring enactment of legislation for the establishment of a soil and water research laboratory in the Great Plains area. p. 7685
13. PERSONNEL. Passed over, at the request of Sen. Keating, S. 91 and H. R. 4601, to limit to cases involving the national security the prohibition on payment of annuities and retired pay of Federal employees. p. 7702
14. FORESTRY. The "Daily Digest" states that the Public Lands Subcommittee of the Interior and Insular Affairs Committee ordered reported to the full committee "numerous bills pending on its calendar" after hearing testimony from representatives from various departments, including this department. p. D375  
Received a Calif. Legislature resolution urging Congress to withhold enactment of legislation to establish wilderness areas until recommendations are received from the National Outdoor Recreation Resources Review Commission. p. 7686
15. CONSERVATION. Received an Ill. Legislature resolution favoring establishment of a Youth Conservation Corps to aid in the conservation of natural resources. p. 7685
16. WATER RESOURCES. Passed without amendment S. 300, to provide for the establishment of a study commission for the Guadalupe-San Antonio River Basins, Tex. p. 7718  
Sen. Case, S. Dak., inserted several items relating to costs for the development of water resources, including a report and proposed bill from the Budget Bureau to provide for the establishment of uniform cost-sharing standards for flood protection projects. pp. 7721-8
17. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Treasury-Post Office appropriation bill for 1960 will be considered next week. p. 7684

#### HOUSE

18. AGRICULTURAL APPROPRIATION BILL FOR 1960. Passed with amendment this bill, H. R. 7175. pp. 7767-8  
Agreed to, by a vote of 262 to 165, a motion by Rep. Taber to recommit the bill to the Appropriations Committee with instructions to report it back with an amendment providing that no part of CCC funds shall be used to process a commodity loan in excess of \$50,000.



After the bill's passage, Rep. Cooley stated that if enacted into law, the CCC loan limitation amendment "would utterly and completely destroy the farm program ...," that the amendment would place "greater hardships" on the family farmer than the large farmer, and that it would apply to agricultural cooperatives as well, and inserted a letter from the Secretary supporting exemption of cooperatives in considering such amendments. Rep. Michel commended the House action on the Taber amendment and stated that "the language ... will undoubtedly be refined in the other body to exempt farmer cooperatives." pp. 7807-8, 7823

19. APPROPRIATIONS. Passed, 294 to 128, H. R. 7007, the National Aeronautics and Space Administration appropriation bill. pp. 7766-7, 7812

The Appropriation Committee was given consent to have until midnight Thursday to file a report on the Departments of State, Justice, and Judiciary appropriation bill. p. 7766

20. FORESTRY. Rep. McGovern urged passage of a reforestation resolution, under which the Secretaries of Agriculture and Interior, beginning July 1, 1960, would "plant 48 million idle and nonproductive acres." pp. 7815-6

21. COMMODITY LOANS. Rep. Curtis, Mo., inserted the 1957 list of the producers receiving the largest amounts in commodity loans. pp. 7808-12

22. HOUSING. Debated S. 57, the housing bill which includes a provision for farm housing research. By a vote of 149 to 145, adopted a series of amendments to change the method of financing from the "backdoor" method or Treasury authorizations to direct Congressional appropriations. In the debate on these amendments, Rep. Rains stated that their acceptance would "set a pattern" and emphasized the possible effect of similar provisions on CCC, REA, and tobacco programs. pp. 7768-7807

23. REORGANIZATION. H. R. 5140, as reported by the Government Operations Committee (see Digest 79), provides for extension of the Reorganization Act of 1949 for two years, until June 1, 1961.

24. WHEAT. The Agriculture Committee has issued a release describing the committee's wheat bill (H. R. 7246) as follows:

"The major provisions are:

"(1) A 2-year bill applicable to the 1960 and 1961 crops, which:

"(2) Reduces the 15-acre exemption to 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and permanently repeals the 200 bushel exemption, which is now inoperative.

"(3) Removes the ceiling of 30 acres on the wheat-for-feed exemption, and allows unlimited production for on-the-farm use.

"(4) Leaves the National minimum allotment at 55 million acres.

"(5) Provides price supports at 90% of parity, but requires producers to reduce their acreage allotments by 30%. This land in the 30% reduction is not eligible for the Soil Bank or for planting to any crop subject to price support under the Agricultural Act of 1949.

"(6) Farmers who grow no crops and who do not graze the land in the 30% reduction are eligible to receive payments in kind in wheat on one-third of the actual annual average production during the preceding 3 years.

"(7) For the two years the bill is in effect it increases the present penalty for overplanting to 65% of parity, and bases computations on double the normal yield or the actual yield, whichever is lower.



"(8) Provides automatic history preservation.

"(9) Requires that all producers, non-cooperators and cooperators, will be eligible for price support at 50% of parity, if marketing quotas are disapproved.

"(10) If marketing quotas are disapproved, CCC could not release present surplus wheat stocks for less than 78.75% of parity plus reasonable carrying charges.

"(11) Bases voting eligibility for marketing quota referendums on the previous year's planting rather than on the announced intention of planting for the present year.

"The amendments adopted by the Full Committee were:

"1. To adopt language which clarifies the intent of the Committee that no price supported crop could be grown on the acreage taken out of wheat production. Farmers who wish to completely retire the land in the 30% reduction by not growing any crop or not grazing it, would receive payments in kind on wheat of one-third the annual actual average production during the preceding 3 years.

"2. The land in the 30% reduction would be eligible for the Conservation Reserve of the Soil Bank.

"3. If marketing quotas were disapproved in the regular referendum the Secretary would be required to provide price support at 50% of parity to all producers (cooperators and non-cooperators). If marketing quotas are disapproved, the present surplus of wheat could not be released by CCC for less than 75% of parity plus 5% plus reasonable carrying charges."

#### ITEMS IN APPENDIX

25. NATURAL RESOURCES. Sen. Magnuson inserted Sen. Symington's address describing the true worth of the investment made in the development of our natural resources. pp. A4211-2
26. FORESTRY. Extension of remarks of Sen. Wiley commending and inserting an article, "A Promise For the Future," and stating that it is a "thought-provoking article on the value of forest and forest products to America." pp. A4217-8
27. ECONOMIC REPORT. Rep. Curtis, Mo., inserted an editorial, "Congressional Study -- Views on Report's Implications That May Come Back to Haunt Authors," commenting on the Jt. Economic Committee's report on the President's Economic Report. pp. A4219-20
28. EGGS. Sen. Neuberger inserted an editorial, "Plight of the Egg Producer." pp. A4221-2
29. ELECTRIFICATION. Sen. Magnuson inserted Sen. Humphrey's address stressing the ever increasing need for development of electric power. pp. A4223-4  
Extension of remarks of Rep. Johnson, Wis., stating that the Wis. Electric Co-op recently adopted a series of resolutions on various REA and cooperative proposals to be considered by Congress and inserting these resolutions. pp. A4261-2
30. RICE. Extension of remarks of Rep. Thompson stating that "I would like to refer the membership of the House to the factual story of some of the benefits that can be derived from rice -- other than that of helping the rice farming industry," and inserting an article, "Fight Rice With Rice." pp. A4224-5
31. TRANSPORTATION. Rep. McCormack inserted Hon. Anthony F. Arpaia's, ICC, address discussing the over-all transportation system. pp. A4225-8

32. SOIL BANK. Extension of remarks of Rep. Dingell commending the "remarkable record of accomplishment" of the conservation reserve program. pp. A4232-3
33. WHEAT. Rep. Brock commended and inserted an analysis of pending wheat legislation prepared by Carl F. Wilkins. pp. A4241-2  
Extension of remarks of Rep. Broomfield inserting a series of articles on the surplus wheat problem and stating that the articles "point out the waste and the speculation which is taking place with the hard-earned money of our taxpayers, waste which must be stopped." pp. A4260-1
34. FARM PROGRAM. Extension of remarks of Rep. Alger stating that "I am among those who believe there is throughout this country a strong grassroots support of Mr. Benson's flexible policies as opposed to the higher rigid support programs which has gotten us in the present agricultural difficulty," and inserting an article, "Gaining Supporters -- Benson Unyielding, Says Farm Controls Must Go." pp. A4263-4

#### BILLS INTRODUCED

35. PERSONNEL. S. 2020, by Sen. Beall, to provide for the defense of suits against employees of the government of the District of Columbia arising out of their operation of vehicles in the scope of their employment; to District of Columbia Committee.  
H. R. 7266, by Rep. Burke, Ky., to provide annuities payable from the civil service retirement and disability fund in additional cases for certain widows and widowers by reducing the required period of marriage from 5 years to 2 years; to Post Office and Civil Service Committee.  
H. R. 7268, by Rep. Celler, to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service; to Judiciary Committee.  
H. R. 7271, by Rep. Holtzman, to amend the Civil Service Retirement Act to liberalize the standard for determining the earning capacity of disability annuitants and to permit the restoration of disability annuities in certain cases; to Post Office and Civil Service Committee.
36. PURCHASING. H. R. 7272, by Rep. Pelly, to extend the provisions of the so-called Davis-Bacon Act to certain contracts to provide services; to Education and Labor Committee.
37. ROADS. H. R. 7288, by Rep. Becker, H. R. 7292, by Rep. Pillion, and H. R. 7293, by Rep. Riehlman, to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than \$1,400 million annually for the National System of Interstate and Defense Highways; to Ways and Means Committee.
38. EDUCATION. H. R. 7289, by Rep. Green, Ore., to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to Education and Labor Committee.
39. LABOR STANDARDS. H. R. 7291, by Rep. Kasem, to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act of \$1.25 an hour; to Education and Labor Committee.



# S. 1968

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IN THE SENATE OF THE UNITED STATES

MAY 20, 1959

Ordered to lie on the table and to be printed

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## AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. CAPEHART to the bill (S. 1968) to strengthen the wheat marketing quota and price support programs, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

1       That (a) notwithstanding any other provision of law,  
2 no agricultural commodities, title to which has been or is  
3 hereafter acquired by the Commodity Credit Corporation,  
4 shall be sold or otherwise disposed of, except as provided in  
5 subsection (b).

6       (b) Commodities referred to in subsection (a) may be  
7 disposed of, in accordance with directions of the President,  
8 as follows:

9       (1) Donation, sale, or other disposition for disaster or  
10 other relief purposes outside the United States pursuant to



1 and subject to the limitations of title II of the Agricultural  
2 Trade Development and Assistance Act of 1954;

3 (2) Sale or barter (including barter for strategic mate-  
4 rials) to develop new or expanded markets for American  
5 agricultural commodities, including but not limited to dis-  
6 position pursuant to and subject to the limitations of title I  
7 of the Agricultural Trade Development and Assistance Act  
8 of 1954;

9 (3) Donation to school-lunch programs;

10 (4) Transfer to the national stockpile established pur-  
11 suant to the Act of June 7, 1939, as amended (50 U.S.C.  
12 98-98h), without reimbursement from funds appropriated  
13 for the purposes of that Act;

14 (5) Donation, sale, or other disposition for research,  
15 experimental, or educational purposes;

16 (6) Sale for new or byproduct uses;

17 (7) Donation, sale, or other disposition for disaster re-  
18 lief purposes in the United States or to meet any national  
19 emergency declared by the President;

20 (8) Sales at not less than the current parity price for  
21 such commodity, plus reasonable carrying charges, whenever  
22 the President determines that because of a shortage of the  
23 commodity such sale is necessary to prevent hardship;

24 (9) Donations to penal and correctional institutions in  
25 accordance with section 210 of the Agricultural Act of 1956;

1       (10) Sales for export;

2       (11) Dispositions authorized by section 416 of the  
3       Agricultural Act of 1949; and

4       (12) Sales for the purpose of rotating stocks or con-  
5       solidating inventories, any such sale to be offset by purchase  
6       of the same commodity in a substantially equivalent quantity  
7       or of a substantially equivalent value.

8       (c) Strategic materials acquired by the commodity  
9       Credit Corporation under paragraph (2) of subsection (b)  
10      shall be transferred to the national stockpile established pur-  
11      suant to the Act of June 7, 1939, as amended, or to the  
12      supplemental stockpile established by section 104 (b) of the  
13      Agricultural Trade Development and Assistance Act of 1954,  
14      and the Commodity Credit Corporation shall be reimbursed  
15      for the value of the commodities bartered for such strategic  
16      materials from funds appropriated pursuant to section 8 of  
17      such Act of June 7, 1939, as amended. For the purpose of  
18      such reimbursement, the value of any commodity so bar-  
19      tered shall be the lower of the domestic market price or the  
20      Commodity Credit Corporation's investment therein as of  
21      the date of such barter, as determined by the Secretary of  
22      Agriculture. In order to make payment to the Commodity  
23      Credit Corporation for any commodities so transferred to  
24      the national stockpile or the supplemental stockpile, there  
25      are hereby authorized to be appropriated amounts equal to

1 the value of any commodities so transferred. The value of  
2 any commodity so transferred, for the purpose of this section,  
3 shall be the lower of the domestic market price or the Com-  
4 modity Credit Corporation's investment therein as of the  
5 date of transfer to the stockpile, as determined by the Sec-  
6 retary of Agriculture.

7 SEC. 2. Notwithstanding any other provisions of law,  
8 all provisions of the Agricultural Adjustment Act of 1938,  
9 as amended, and the Agricultural Act of 1949, as amended,  
10 relating to acreage allotments, marketing quotas, and price  
11 supports for any agricultural commodity shall be ineffective  
12 with respect to the 1960 and subsequent crops of such com-  
13 modities; but any right, claim, or action which accrued under  
14 any such provisions with respect to any crop prior to the  
15 1960 crop shall not be affected.

Amend the title so as to read: "A bill to provide for a  
new farm program."





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# AMENDMENTS

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(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. CAPEHART to the bill (S. 1968) to strengthen the wheat marketing quota and price support programs.

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MAY 20, 1959

Ordered to lie on the table and to be printed

COMMENTS AND RECOMMENDATIONS OF VARIOUS COMMISSIONS REGARDING THE NEED FOR UNIFORM COST-SHARING POLICIES WITH PARTICULAR REFERENCE TO FLOOD CONTROL

"Task Force Report on Natural Resources," prepared for the Commission on Organization of the Executive Branch of the Government, January 1949 (First Hoover Commission):

"When the Federal Government first assumed definite responsibility for flood protection in 1936, costs were to be shared by the States and localities benefited, largely through the contribution of lands and rights-of-way. Removal of this condition in 1938 with respect to reservoir projects has had the effect not only of making the Federal Government assume 100 percent of the costs of these flood-control projects, but has removed one of the most effective restraints on the undertaking of projects of doubtful feasibility. States and localities were certain to scrutinize proposed projects with great care when they had to bear a significant share of the cost, but are inclined to ask fewer questions when the Federal Government supplies all the funds" (p. 21).

"The existence of a number of survey and development agencies has encouraged the perpetuation of special-purpose policies and has accentuated statutory inconsistencies. Varying administrative standards of feasibility, benefit-cost evaluation, and cost allocation have added to the confusion in these areas. Interagency rivalry has fostered a sort of Gresham's law with respect to Federal financial policies, the tendency being for higher standards of repayment by State, local, and private beneficiaries to be replaced by lower" (p. 23).

"Although the committee is not prepared to make specific recommendations, it believes that the most pressing need for statutory revision has to do with financial policy. As a general principle, costs should be repaid as far as practicable by the beneficiaries, more so than at present. Federal contributions should be limited to amounts proportionate to the estimated national benefits involved. State and local contributions should be required where practicable as a regular policy on all projects where localized benefits demonstrably exist" (p. 28).

"A Water Policy for the American People," the report of the President's Water Resources Policy Commission, 1950 (Cooke Commission):

"This proposed reformulation of water resources policy is constructed on a simple framework of principles. These express: \* \* \* The necessity for a system of repayment designed to treat alike all who enjoy the advantages of Federal investment. This will seek reasonable repayment, either through direct charge or assessment, for the opportunity which water resources programs offer for private gain, but will recognize that the great contributions of such programs to the general welfare warrant the assumption by the Federal Government of the remainder of the cost" (p. 9).

"Congress, in drafting new legislation or amending existing legislation, should provide for a uniform national reimbursement policy and specify the principles to be applied.

"Reimbursement procedure should aim, as far as possible, to recover a reasonable portion of the benefits accruing from public expenditures for water resources development. This should provide for charges for benefits where they can be collected, and agreements with interest States under which they would utilize their powers of taxation or assessment to assure reimbursement to the Federal Government for primary and secondary benefits not susceptible direct collection" (p. 12).

"From the foregoing discussion, it should be clear that the Nation has no consistent

reimbursement policy in relation to water resources development. In general, this situation has developed out of piecemeal legislation and administrative decisions dealing with single projects or with single functions within river basins. This procedure has given rise to serious inequities and inconsistencies in reimbursement policy."

"In the case of local flood control works, the local communities directly affected should assume an appropriate share of the cost, which could be apportioned on the basis of property values either by general taxation or by special assessment.

"In the case of extensive flood control works, involving large-scale upstream storage and land management programs, the States should establish special districts with the adequate powers to assume an appropriate share of the cost of providing protection against floods" (p. 85).

"Missouri: Land and Water," report of the Missouri Basin Survey Commission, 1953 (Lawrence Commission):

"Greater local financial responsibility: The general trend toward lower reimbursement requirements should be reversed. The problem is nationwide and application in any basin should obviously be conditioned on revisions being incorporated in national policy. Specifically, the Commission recommends that consideration be given to:

"(a) A general revision in national policy for the division of financial responsibility between Federal, State, and local groups in order to obtain higher contributions toward costs by beneficiaries, more systematic cost-sharing requirements for the various purposes, and greater interest and willingness to assume responsibility by groups immediately affected.

"(b) Provisions in national policy for assigning charges and assessments to specified beneficiaries in accordance with the following general principles: \* \* \*

"Flood control: Primary beneficiaries, communities, and areas directly concerned, including States, should be assigned assessments up to the value of benefits, subject to reliable identification and measurement, with allowance for incentives and repayment ability" (pp. 15-16).

Local contribution to resource development: State and local interests could bear a greater share of the costs of projects from which benefits accrue to them. This is particularly true for flood control and navigation projects which for the most part are charged off as nonreimbursable, with the result that the Federal Government is bearing almost the entire cost.

"However, the entire cast of major projects should not be borne by local groups, despite the fact that the large share of benefits from these projects accrue to local interests. It would be impossible for the local governmental or private bodies to finance the entire, or perhaps even the major share of the costs of such projects. Nevertheless, the Commission is convinced that contribution or repayment policies are in need of revision in order to lessen the burden on the Nation as a whole and to stimulate the local groups within the basin to shoulder a larger portion of the financial burden. The Commission has continually encountered the demand that State and local governments be given a greater share in the determination and administration of the basin program, and it believes that this demand must be accompanied by an explicit willingness to combine administrative responsibility with financial support" (p. 16).

"Cost-sharing policy should promote: Greater consistency in the cost-sharing requirements for the various resource development programs. Some of the variations in current practice cannot be justified in terms of any systematic set of principles" (p. 234).

"Water Resources Policy," a report by the Presidential Advisory Committee on Water

Resources Policy, 1955 (summary and major conclusions):

"It is believed that the principle of equal contribution for equal benefits received should be applied to the beneficiaries of all Federal water resources developments, although it is recognized that historically, the programs of the Federal agencies have differed widely as to the contribution required from the beneficiaries of such projects" (p. 3).

"Identifiable beneficiaries should pay an appropriate share of the cost of projects. The Committee believes that in most instances, direct identifiable beneficiaries should pay a larger share of the cost for benefits received than they now do.

"Responsibility for bearing the cost of maintenance and operation of Federal projects and for their management should be turned over to non-Federal interests as soon as it is soundly feasible in consideration of the Federal investment.

"All Federal agencies should use a uniform approach to cost sharing so that the division of costs between the Federal Government and non-Federal interests for any particular project would be the same regardless of the agency undertaking the project" (p. 30).

"The Committee recommends, as a general policy, that all interstate participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense. The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries. Where the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement, maintenance, and operation costs. In cases where projects supply or safeguard national needs, or where there are other special compelling considerations, the Federal Government may bear a larger portion of the cost if found in each case to be justified and consistent with criteria established by the Coordinator of Water Resources" (p. 31).

Task Force Report on Water Resources and Power to Commission on Organization of the Executive Branch of the Government, June 1955 (second Hoover Commission):

"It is recommended, to assure that the Federal payment of project costs is kept within reasonable bounds, and that non-Federal beneficiaries pay or repay costs commensurate with their benefits—

"That the Congress enact legislation to establish cost distribution principles, which 'cohesive and clearly identifiable groups receiving substantial benefits' will be required to observe as a prerequisite of Federal participation in reclamation projects; to require that the appropriate Federal agency report on conformance of local groups in recommending projects to the Congress; and to include the following requirements in the principles:

"(a) That the benefits expected to result from any project be subdivided as follows:

"1. those accruing to groups of cohesive and clearly identifiable recipients of substantial benefits.

"2. all benefits not assignable to such groups.

"(b) That the allocated capital cost be distributed in proportion to the benefits assigned.

"(c) That financially responsible governmental or quasi-governmental agencies rep-



resenting the groups of cohesive and clearly identifiable recipients of substantial benefits be required, as a condition of Federal participation, to bind themselves to pay at least 50 percent of the cost prorated to them under (b) above with interest.

"(d) That the Federal Government assume all other costs not assumed by such groups.

"(e) That, in general, non-Federal agencies assume the full cost of operation and maintenance" (pp. 98-99).

"Sharing of cost by non-Federal interests: A fair share of the cost of any project which the Federal Government either constructs, or contributes to, should be borne by those to whom substantial benefits accrue. This will reduce the drain upon the Federal Treasury. But it will do three even more important things: It will constitute insurance that the local interests are really convinced of the soundness of the projects; it will result in a more equitable distribution of costs, and; it will preserve the self-respect of the beneficiaries.

"All of the Commissions and other groups which have given mature consideration to water-resources development have supported the principle that beneficiaries should bear an equitable share of costs.

"Nevertheless, present laws are not, in general, in accord with this principle" (p. 758).

#### COMMENTS AND RECOMMENDATIONS REGARDING REIMBURSEMENT FOR NAVIGATION IMPROVEMENTS

Task Force Report on Natural Resources, prepared for the Commission on Organization of the Executive Branch of the Government, January 1949 (first Hoover Commission):

"Under present methods of developing flood control and navigation works, the immediate beneficiaries often do not have to pay directly any significant part of the cost. Their only contribution is through general taxation. Indeed, they are encouraged by this policy to promote costly projects which cost them nothing. Such subsidy of private individuals from the public treasury is at best unjust. Its greatest evil, however, arises from the removal of any sort of economic measure of value in terms of willingness to pay. It seems reasonable to assume that if the direct beneficiaries refuse to pay any part of the project costs, the economic soundness of the project must indeed be questionable" (p. 87).

"A Water Policy for the American People," the Report of the President's Water Resources Policy Commission, 1950 (Cooke Commission):

"Reimbursement for various types of benefits from water resources programs should be determined in accordance with the following principles: \* \* \* (c) for navigation it should be determined in connection with a general program for putting charges for all forms of transportation on a cost basis, including interest" (pp. 12-13).

"Decisions as to user charges, or tolls, for waterway commerce should be worked out as a part of the whole problem of reconciling and making workable a coordinated transportation system. But with rates for all forms of transportation based on full costs, an interconnected system of modern waterways, coordinated with land transportation, should be able to sustain itself with tolls based on full costs and yield returns on the public investment while contributing to the most economic use of the Nation's resources" (p. 16).

"Greater local financial responsibility: The general trend toward lower reimbursement requirements should be reversed. The problem is nationwide, and application in any basin should obviously be conditioned on re-

visions being incorporated in national policy. Specifically, the Commission recommends that consideration be given to:

"(b) Provisions in national policy for assigning charges and assessments to specified beneficiaries in accordance with the following general principles:

"Navigation: An assignment should be made to waterway users and, through agreement, to States and communities to the extent of their benefits, after allowance for incentives. Such assignments may partly be met by toll charges, if and when feasible" (pp. 15-16).

"Water Resources Policy," a report by the Presidential Advisory Committee on Water Resources Policy, 1955."

"Navigation: Serious consideration should be given to repayment of a portion of the costs of new navigation projects, particularly those which will create navigability where none now exists, by the institution of user charges. Although it would appear logical, in the interest of a completely uniform policy as to the participation of beneficiaries in the costs of water resources developments, that user charges should be instituted which would at least bear the cost of operation and maintenance of such navigation facilities, it must be recognized that the subject of user charges involves not only water policy but also the whole field of transportation, including many other mediums. Therefore, it is a more appropriate subject for a survey of the entire field of transportation than one of water policy alone" (p. 32).

Task Force Report on Water Resources and Power to Commission on Organization of the Executive Branch of the Government, June 1955 (Second Hoover Commission):

"It is recommended, to help establish a consistent national water policy, to increase local responsibility, and to fix the limits of Federal activities in the development and conservation of water resources and power.

"That the Congress enact legislation to direct the appropriate Federal agency or agencies to apply the principles of national transportation policy, as expressed in the preamble of the Transportation Act of 1940, to the construction, operation, and maintenance of navigation facilities.

"That the Congress enact legislation to establish a system of user charges relating to the inland and intracoastal waterways, the Great Lakes and connecting channels, and seacoast harbors and channels of the United States. For projects now in operation, such charges should cover all costs of maintenance and operation by whatever agency incurred. ("For future projects (including future capital expenditures for projects now in operation), the charges should cover all Federal costs, i.e., maintenance, operation, and capital costs. All such charges should apply to regions, or system, rather than to individual projects, so as to avoid discrimination" (p. 101).

"Water Resources and Power," report of Commission on Organization of the Executive Branch of the Government, June 30, 1955. (Second Hoover Commission):

"Recommendation No. 8:

"That Congress authorize a user charge on inland waterways except for smaller pleasure craft, sufficient to cover maintenance and operation, and authorize the Interstate Commerce Commission to fix such charges" (p. 85).

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 962) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the Gulf Intracoastal Waterway-Channel to Port Mansfield, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 11, of the Eighty-sixth Congress, at an estimated cost of \$3,431,000.*

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The PRESIDING OFFICER. The next measure on the calendar will be stated.

#### MODIFICATION OF PROJECT FOR KAHULUI HARBOR - ISLAND OF MAUI, HAWAII

The Senate proceeded to consider the bill (S. 1632) authorizing the modification of the existing project for Kahului Harbor, island of Maui, Hawaii, which had been reported from the Committee on Public Works with amendments on page 1, line 3, after the word "for", to strike out "Kahuli" and insert "Kahului", and in line 8, after the word "of", to strike out "\$964,800" and insert "\$944,500 to the United States for construction", so as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the existing project for Kahului Harbor, island of Maui, Hawaii, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in House Document Numbered 109, of the Eighty-sixth Congress, at an estimated cost of \$944,500 to the United States for construction.*

SEC. 20. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill authorizing the modification of the existing project for Kahului Harbor, island of Maui, Hawaii."

#### BILLS PASSED OVER

The bill (S. 1968) to strengthen the wheat marketing quota and price support program was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes, was announced as next in order.

Mr. ENGLE. Mr. President, I ask that all the items from No. 284 to the end of the calendar be passed over.

The PRESIDING OFFICER. The bills will be passed over.

The bills passed over are as follows:

H.R. 5674. A bill to authorize certain construction at military installations, and for other purposes.



July 28, 1945, to stabilize and protect the level of support for tobacco.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, for the information of Senators, I wish to state, after consultation with the minority leader, that the tobacco bill having been made the pending business, no action will be taken, and debate will begin tomorrow as soon after the morning hour as possible. There will be no further votes today.

#### NATIONAL AND PROVINCIAL HEALTH PROGRAMS IN CANADA

Mr. NEUBERGER. Mr. President, frequently we focus our attention many thousands of miles away and forget what is taking place just north of us, in the land of our closest neighbor, Canada. The Oregon Daily Statesman of Salem, for May 15, 1959, published a most comprehensive and informative editorial about the health program now underway under the joint auspices of the Canadian National Government and the governments of 6 out of the 10 Provinces of Canada. Because this editorial provides so much information which has not been published widely elsewhere in the United States, I ask unanimous consent that it be included in the body of the RECORD. I might add that the editor and publisher of the Oregon Daily Statesman is Charles A. Sprague, distinguished journalist and a former outstanding Governor of the State of Oregon. The editorial is especially timely because the Senate today has passed Senate Joint Resolution 41, providing for International Health and Research under the NIH.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

##### CANADA'S HEALTH PROGRAM

Canada, in its own way keeps moving along as a welfare state. Many of the provinces, perhaps all, have universal old age grants and subventions for births. Now all but one have an insurance system which covers, or will when put into operation, hospitalization including ward accommodations, nursing, drugs, X-rays, surgical supplies and use of operating room. Quebec is the holdout. The Canadian provinces haven't gone as far as Britain for full socialized medicine—services of physicians and surgeons are not covered under the plan as in the mother country.

The financing is contributory by the public except in Newfoundland and British Columbia where individuals are not assessed. In 6 of the 10 provinces participation in hospital insurance is compulsory. Ontario's plan is partly voluntary but 93 percent of the population are enrolled. There the fee is \$2.10 per individual per month and \$4.20 per family. These payments cover about a third of the cost. The remaining two-thirds are shared 50-50 by the province and the federal government. The hospital program was launched by five provinces July 1, 1958. Its spread has been rapid in the subsequent months.

In the United States reliance is still put on voluntary participation in Blue Cross or

insurance plans save for such industries where companywide plans cover all employees. No effort has been made since early in the Eisenhower administration to establish a system of health insurance. In 1957 Representative FORAND, of Rhode Island, introduced a bill to have social security extend to provide hospital, surgical and nursing home benefits to the aged. It has been vigorously opposed by the American Medical Association, American Dental Association and the hospital and nursing home associations. One reason for nonaction was the estimate by the Social Security Administration that the cost of care under the Forand bill would run to \$835 million in 1959. Congress did pass a bill in 1958, H.R. 9822, for a White House Conference on Aging. This will be held in January 1961. Also for medical organizations created a Joint Council To Improve the Health Care of Aged, whose purpose was to find ways to get private sources to write health insurance for the aged.

In this country, the immediate concern is over medical and nursing care for the aged, while Canada launches a nearly universal program to provide hospital care for all. Spite of all these benefits, however, Canada still loses some 30,000 a year of its people who emigrate to the U.S.A.

#### PROPOSED REPEAL OF PRICE SUPPORTS ON ALL FARM COMMODITIES

Mr. CAPEHART. Mr. President, I ask unanimous consent to submit, after the Senate adjourns tonight, an amendment to the so-called wheat bill, Senate bill 1968.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, the amendment I propose to submit to the wheat bill, Senate bill 1968, would repeal all price supports on all farm commodities after this calendar year, or beginning January 1, 1960.

It would repeal all price supports on all the commodities the prices of which we are now supporting. It would likewise freeze the surplus or Government stockpile, except for certain purposes as directed by the President.

My amendment would permit sale from the stockpile for export. It would permit sale for the school lunch program. It would permit sales and grants to feed hungry people. The surplus could be disposed of in many other ways.

My amendment would likewise permit the President of the United States to sell in the domestic market anything from the stockpile at 100 percent of parity. If, in the opinion of the President, an emergency existed, if prices of farm products were out of line, if there were a drought, or if there were other circumstances which created an emergency, the President could permit the sale out of the stockpile, but only at 100 percent of parity.

We must do one of two things. Either we must repeal the price support laws, which my amendment would do, or we must go back to 90 or 100 percent of parity, because the system under which we are operating will not work. My amendment will be printed and made available to Senators tomorrow. It is a

proposed amendment to the Wheat Act. It would freeze the surplus. We could thereby dispose of the \$9 billion to \$10 billion worth of surplus commodities which the Government has on hand, and any other commodities which might come into the stockpile during the remainder of the year. The surplus could be disposed of in an orderly fashion. I believe it would require at least 5 years to dispose of it. My amendment would repeal price support laws with respect to all commodities.

Therefore, starting next January, the farmer could start the year as though there never had been any Government farm regulations or laws. We would freeze the \$9 billion or \$10 billion worth of surpluses and dispose of them in an orderly way.

We cannot continue to spend \$5 billion a year on price supports, or \$6½ billion a year to operate the Department of Agriculture, when all that is being accomplished is the building up of further surpluses, without doing any good for the farmers. In other words, what is happening at the moment is that the cost is going up, the surpluses are increasing and farm prices are staying at about the same level or are going lower. It is silly and it is ridiculous. It makes no sense.

I introduced an omnibus farm bill about 3 weeks ago. I could not get too much help on it. I am now submitting my amendment to the wheat bill. It would repeal all price support laws, in an effort to be helpful and in trying to solve the so-called farm problem. The farm problem is now getting as troublesome to the taxpayer as it is to the farmers. It is not doing the farmers any good, and it is costing the taxpayers many billions of dollars.

I hope the Committee on Agriculture and Forestry and the Senate and the Congress will give real consideration to the amendment I am submitting. Perhaps there is a better way to solve the problem than my amendment proposes. If there is, let us find out.

However, I say the time has arrived when Congress must face the issue. We cannot afford to delay action until next year. We ought to face the issue this year.

We must either get rid of price supports or we should devise a plan, which is workable and will actually help the farmer, and which will be less costly to the American taxpayer than the present plan.

I am submitting the amendment because I feel we must have some place from which to start. I am doing it so that we may get everyone interested in it and so that we may have a great deal of debate on the subject on the floor of the Senate. I am doing it in behalf of the American taxpayers and the American farmers. They are both vitally interested in it.

Mr. Benson has told us that the present system is not working. The President of the United States has said it is not working. The cost of the program indicates that it is not working. Farm prices indicate that it is not particularly helping the farmer. So I say, Mr.



President, let us have the courage to face the issue, because only Congress can change the law, and only Congress can establish new policies.

I repeat that my amendment to the wheat bill would repeal all price supports on all commodities after this year, effective as of January 1 next year. It would freeze the \$9 billion or \$10 billion surpluses on January 1. It would freeze the stockpile and would permit an orderly disposal of it, so that it would not interfere with what the farmers produce and what the farmers grow from that time forward.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I am glad to yield.

Mr. HUMPHREY. I wonder if I clearly understood the Senator. Is he saying that after this crop year, starting in 1960, his amendment, if enacted into law, would repeal the price supports on all farm commodities?

Mr. CAPEHART. That is correct.

Mr. HUMPHREY. Does the Senator offer any alternative?

Mr. CAPEHART. We would freeze the surplus and dispose of it in an orderly way. On January 1, the \$9 billion or \$10 billion worth of surplus would be disposed of in an orderly way. My best judgment is that it would take about 5 years to do so. We would take the surplus out of competition with what the farmers would start to grow next year. We must get rid of this costly program, which is not helping the farmers. There may be other ways of doing it, but, in any event, this is one way of doing it.

Mr. Benson says the present program is not working. Mr. Benson says we ought to enable the farmers to operate their own farms and conduct their own business. I am sure he would be 100 percent for the amendment. I have not discussed it with him. It is my own idea. However, I am sure that he will be for it, because he has been telling us the present program is not workable. The President has said so in his annual message to Congress. I am certain that Secretary Benson will support this idea. I say that based on many statements he has made.

Our price supports are becoming so low—and the price supports set the market prices—that the farmers would be better off if we had no price supports at all. I say that because under the law a ceiling is provided. Under the law the Secretary of Agriculture must sell commodities from the stockpile at 5 percent above the existing support price. That means that if the support price on wheat is 75 percent, wheat is sold from the stockpile at 80 percent. That sets the market price. If we are to have support prices, we must at least get rid of that particular law. If we are going to push support prices farther down, as has been suggested by some, and have a law which provides that \$9 or \$10 billion worth of commodities in the stockpile must be sold at 5 percent above the support price, the program cannot work.

All we are doing is piling up more costs for the taxpayers and building up larger surpluses, and setting the market price at 5 percent above the support price. So

I say let us do one of two things. I am submitting my amendment to eliminate price supports effective as of January 1. If Congress in its wisdom does not wish to do that, let us repeal the law which provides that the surplus must be sold at 5 percent above the support price. If we are to have support prices, let us put the support prices on a basis which will be helpful to the farmer. If we are going to tax the taxpayer \$5 or \$6 billion a year, let us at least make certain that it is going to help the farmer. It is not helping the farmer at the moment. Farm prices are going lower and lower. I shall hand the amendment to the desk in a moment. I have already obtained unanimous consent to file it tonight.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. HUMPHREY. Mr. President, I inquired from the distinguished Senator from Indiana as to his proposal, because it is so far reaching that I did not want to misunderstand its implications or its purpose.

I have known for some time that the policy of the administration has been to eliminate support prices. I believe that the Senator from Indiana, with his usual candor and frankness, has stated for us quite clearly what he believes to be the attitude of the Secretary of Agriculture and of the administration.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Let me say that I have not discussed the matter with Secretary Benson or the administration. I am submitting the amendment on my own initiative.

Mr. HUMPHREY. I understand.

Mr. CAPEHART. I have not discussed it with anyone. I have said—and I now repeat—that the Secretary of Agriculture has said that the present program is not working. He is recommending lower price supports. The President in his annual message said that the program is not working. I have not discussed the proposal I am making tonight with either the President or the Secretary of Agriculture.

Mr. HUMPHREY. I understand. I understand also that the Senator said he thought Mr. Benson would be in favor of it. He indicated quite frankly and honestly that the Secretary does recommend lower price supports.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I said I thought the Secretary would be for it because he has repeatedly said that when he is trying to do is to get the Government out of the farming business, to permit the farmers to grow what they please and when they wish and how they wish. He has repeatedly so stated. He has said it in every one of his speeches. For that reason, I think he might well be for that proposal.

Mr. HUMPHREY. Mr. President, the Senator from Indiana is always frank and candid. There is a wholesomeness in his presentation.

In reality, the Secretary of Agriculture wants to get the Government out of the farm business. But the Secretary of Agriculture also follows a program of getting the farmers out of the farm business. We are really going through quite a process of elimination. Let us be quite candid about it. Let us be as clear in the statements which we make on agricultural policy as the Senator from Indiana is clear and precise in his amendment.

The administration has its own farm program. In the first 2 years, the administration said it could not be held accountable for the accumulation of surpluses and the rise in the cost of the farm program because until 1954, according to the administration's spokesmen, the administration was allegedly burdened with the policies of the previous administration.

But in 1954 a farm policy or program was adopted—not with my help, I might add—which was along the lines of the administration's proposals. Flexible price supports were written into the law on the theory that if price supports were flexed down, it would be possible to control production. The theory was that if price supports were lower, crop production would be lower.

At that time the administration did not talk about getting the Government out of the farm price-support business. It talked about getting the Government out of the 90-percent price-support program. The administration then wanted a 75- to 90-percent ratio. That was granted. It was not granted happily, but reluctantly. Nevertheless, it was granted.

Two other farm bills have been passed by Congress. Both have been vetoed by the President. Twice Congress has had to pass legislation which met the requirements and the standards of the administration. The price-support program which is now on the statute books is the price-support program which was testified to by the Secretary of Agriculture and his assistants in the Committee on Agriculture and Forestry.

It is true that the Secretary is now before the committee asking that supports be lowered even further, despite the fact that with price supports on oats and rye at 60 to 65 percent of parity, the production of those commodities goes up instead of down; despite the fact that when the supports on corn are lowered, the production of corn goes up instead of down.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment; I will yield later.

Despite a \$1.10 bushel guaranteed price on corn under the present price-support program, which this administration wanted, and which it propagandized a minimum number of farmers into accepting in a referendum, less than 20 percent of the farmers even voting, the prediction of the Department of Agriculture today is that the corn crop will be the largest in the Nation's history.

I thoroughly concur in some of the statements the Senator from Indiana



has made about this matter. He said that support prices are now so low that the prices on the market are going down and down. He continued by saying that if support prices are to be so low, they had better be taken off altogether.

The Secretary of Agriculture has recommended reducing support prices even more, without controls. This is what I call administrative hypocrisy. On the one hand, the administration talks about lowering support prices and removing controls in the face of a body of evidence that by so doing all that happens is to fill the warehouses, increase the amount in storage, and lower the market prices.

The only time a price-support program works is when it is good enough to provide an incentive to the farmer to cooperate in acreage and production controls. Without acreage production and controls, there should not be a price-support program.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Anyone who farms knows that the lower the price he is to receive for the unit, the more units he must produce in order to create more dollars.

Mr. HUMPHREY. The Senator is so right.

Mr. CAPEHART. Therefore, the lower the price, the more units the farmer will grow in order to get enough dollars to break even or to make a profit.

Mr. HUMPHREY. The Senator from Indiana is correct.

Mr. CAPEHART. The result has been that by lowering the support prices over the past several years, the surplus has gone up, production has gone up, the stockpile of the Government has gone up, and the cost to the taxpayer has gone up. That is why I have offered the amendment. It is designed to get rid of the price supports. We cannot go on as we are.

I do not say I have the answer to the problem; I am simply trying to find the answer. I introduced an omnibus bill the other day. Now I am introducing this amendment. I have no pride of authorship. I am trying to get the administration, Congress, the public, if you please, the newspapers, and the farm organizations interested in doing something about a situation which, in my opinion, is intolerable.

Mr. HUMPHREY. The Senator from Indiana has stated with clarity and eloquence what I have attempted to state for years without, apparently, the clarity and eloquence of the Senator from Indiana. I have attempted to say that the reduction of price supports could result in only one thing—lower market prices. Lower market prices could result in only one thing—increased production, because the man on the farm—he does not have to be on a farm, he can be in business anywhere else—knows full well that as the unit price goes down, and the cost of production goes up, the only thing he can do to stay in business at all is to produce more. That is exactly what has happened.

I have stated not once, but many times, directly to the representatives of the De-

partment of Agriculture that they were building their own Pandora's box, and that they were opening up the lid of their own Pandora's box, because as they reduced prices, the result could only be increased production. That has happened. Today, \$9 billion worth of surplus commodities are in the possession of the Commodity Credit Corporation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Neither the able Senator from Minnesota nor myself nor any other Senator needs to stand on the floor of the Senate and talk about this matter. The facts themselves prove what is happening. The record proves it. The cost is going up day by day; surpluses are increasing day by day; the prices the farmers are receiving are staying where they are or are getting lower. So it is not necessary to use oratory, if I may use that expression; the facts speak for themselves.

Technically, it would seem that the opposite should be true: That the lower the price becomes, the less the farmers will raise. That simply is not true in farming. I think it might be true in a manufacturing business. I think it might be true in a retail business. But it is not true in farming, because a year is required to grow most crops.

A farmer has X number of acres. He has a tractor, or more than one tractor, with which he tills the land. The lower the unit price he receives, the larger the crop he will try to grow, and the more fertilizer he will put on the ground to grow more units, because it is the number of bushels multiplied by the price which will give him the dollars.

I am one who has changed his mind in this matter. I am frank to say that I rather liked the idea of flexible price supports when they were begun. I voted for them. I had my doubts about them, but I voted for them. At least, I was willing to go along and try them.

The best answer is not oratory on my part or oratory on the part of any other Senator. The fact is that flexible price supports do not work. No one can show me or anyone else that they have worked.

Mr. HUMPHREY. It has been the contention of some of us who have been members of the Committee on Agriculture and Forestry for a number of years that, of course, the administration's program has not worked. No more potent testimony has been given to the fallacy of the administration's economic theory on agriculture than the testimony of the Senator from Indiana; namely, that reducing price supports does not reduce production. The only way by which production can be controlled is by acreage controls, bushelage controls, marketing controls, and a price structure which will provide a commodity price sufficiently adequate to enable a farmer to afford to reduce his crop production. That has been the theory of some of us who have maintained that if there is to be a price-support program, it ought to be good enough so that regulations which we know are required will be accepted

and complied with, because a good price is an incentive. That is all I am saying.

I do not wish to argue the merits of the respective programs any longer except to say that the program now in effect is the program the administration has asked for. The program which is now in effect is the worst program in the Nation's history. The program now in effect is pricing the farmers off the land. It is promoting bigger and bigger farms, at the expense of the family farm.

Finally, Mr. President, let me say that this program is going to be looked into meticulously, objectively, thoroughly, and fearlessly. The operations of the Commodity Credit Corporation and its policies, administration, and activities, and activities related to those of the Corporation are going to be looked into by the Senate Committee on Agriculture and Forestry.

This morning the distinguished Senator from Missouri [Mr. SYMINGTON] was appointed the chairman of a special subcommittee of six members, with a staff provided by the permanent staff of the Senate Committee on Agriculture and Forestry. The subcommittee is going to look into the operations of this program. I predict that when that survey is completed and when the report on it is made, everything the Senator from Indiana has stated here today will be verified—namely, that the lowering of farm commodity price supports has resulted in the building up of mountains of surpluses, and has lowered farm income, and thereby has compelled farmers to produce more and more. I also predict that it will be found that the management of the Commodity Credit Corporation has not been to the benefit of the farm commodity producers or the farm commodity processors, and certainly not to the benefit of the consumers.

I wish to thank the Senator from Indiana for laying before us the most compelling arguments I have ever heard for changing the farm program the administration recommends. By the way, Mr. President, the administration merely recommends more of the same thing. It simply recommends larger doses of the same thing; it representatives say, "Just reduce the supports a little more." As the Senator from Indiana has said, if that is done, the only result will be greater production and increased storage and greater costs.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Mr. President, I have prepared amendments in the form of a substitute, and I shall call up the amendments later. I ask unanimous consent that my amendments in the nature of a substitute be printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the amendments submitted by Mr. CAPEHART were



ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That (a) notwithstanding any other provision of law, no agricultural commodities, title to which has been or is hereafter acquired by the Commodity Credit Corporation, shall be sold or otherwise disposed of, except as provided in subsection (b).

"(b) Commodities referred to in subsection (a) may be disposed of, in accordance with directions of the President, as follows:

"(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

"(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

"(3) Donation to school-lunch programs;

"(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98-98h), without reimbursement from funds appropriated for the purposes of that Act;

"(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

"(6) Sale for new or byproduct uses;

"(7) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President;

"(8) Sales at not less than the current parity price for such commodity, plus reasonable carrying charges, whenever the President determines that because of a shortage of the commodity such sale is necessary to prevent hardship;

"(9) Donations to penal and correctional institutions in accordance with section 210 of the Agricultural Act of 1956;

"(10) Sales for export;

"(11) Dispositions authorized by section 416 of the Agricultural Act of 1949; and

"(12) Sales for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

"(c) Strategic materials acquired by the Commodity Credit Corporation under paragraph (2) of subsection (b) shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, or to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture. In order to make payment to the Commodity Credit Corporation for any commodities so transferred to the national stockpile or the supplemental stockpile, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

"Sec. 2. Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops of such commodities; but any right, claim, or action which accrued under any such provisions with respect to any crop prior to the 1960 crop shall not be affected.

"Amend the title to read as follows: 'A bill to provide for a new farm program.'

Mr. CAPEHART. Mr. President, again I wish to say that the amendments have only two parts. The first will freeze immediately the so-called stockpile, except for certain purposes.

The second will, on January 1, after this crop year, repeal all agricultural commodity price supports by the Government.

Mr. President, I submit these amendments in the hope that they will start a real argument in the Congress, and will get the administration and the people interested in doing something about this farm problem, because, as the able Senator from Minnesota and I and others have stated, something must be done about it.

I have no pride of authorship; all I seek to do is get people interested in this problem, because the present situation is far from good.

Mr. HUMPHREY. Mr. President, let me say that the Senator from Indiana will not be disappointed; certainly the amendments will generate some arguments, as he knows.

Mr. CAPEHART. Yes, I think they will.

Mr. HUMPHREY. The Senator from Indiana will not be disappointed, for the administration will be interested, because his proposal is the consummation of the culmination of the procedure the administration is following. The only difference is that the Senator from Indiana would come to the point now, whereas the administration would like to drag out the matter a little longer. But the Senator from Indiana proposes that it be done now.

The Senator from Indiana has said he has no pride of authorship. Let me say that I do not blame him [laughter], because although I know the amendments are submitted in good faith, yet I also know that this proposal will only result in much more of what we already have; it will result in ever-expanded production, because the farmers will still have the same number of acres of land and the same amounts of fertilizer and the same number of tractors—or perhaps more—and there will be a substantial population to take care of; and I doubt that it will reduce production or will improve the prices of agricultural commodities.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I am happy to yield.

Mr. CAPEHART. I am confident that it will increase the prices of agricultural commodities. Let me say that if the prices of agricultural commodities are

going to get lower and lower and lower, and if the farmer is going to be in bad shape, I would prefer to have him be in bad shape in a free market, rather than to have the Government control the prices of agricultural commodities and control the agricultural policies, which today simply are not working properly.

Mr. HUMPHREY. The only change I would suggest is a change in administration, because the present farm program can work; it is not beyond salvation. It can be administered to the benefit of consumers and farmers and the Nation. I must say that it will not be so long before it will be administered in that way—in other words, in about 18 months.

Mr. CAPEHART. Mr. President, if the Senator from Minnesota will yield further to me, let me say that the Congress should proceed now to have it administered in the proper way, for the benefit of the farmers and the taxpayers. Certainly we should not wait 18 months.

Mr. HUMPHREY. We shall try; but every time the Congress attempts to do something constructive in regard to agriculture, Congress not only is threatened with a veto, but actually is met with one. I know about that; I have been serving on the committee which has been handling agricultural program bills. Each time, they are vetoed. I want the record to be crystal clear. I know that the administration would like to have the people believe that the farm program it is administering is one which was foisted upon it against its will. But that is nonsense. The program the administration is now administering is the one it asked for, and the one its representatives testified in favor of, and the one it rammed through—on the basis of a Presidential veto and the threat of a Presidential veto—as the administration's farm program; and today that program, as being administered by the administration, is wasteful, costly, and ineffective; but all that the administration is requesting is more of the same thing.

The Senator from Missouri [Mr. SYMMINGTON] and I, as members of the Committee on Agriculture and Forestry, want the administration to come forward with a new farm program which will give recognition to the facts of production and consumption. But the representatives of the administration say that all they want is to lower the price supports and remove the controls. As the Senator from Indiana has said, on the basis of his practical knowledge of business, all that will lead to is more agricultural commodity production and lower agricultural commodity prices; and he is correct.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. The amendments in the nature of a substitute which I have submitted to the wheat bill will give the American farmers and the Members of Congress and everyone else involved a chance to choose sides on the question whether they do or do not want the Government in the farming business. We have heard much about the matter; it has been written about a great deal; Mr. Benson has made many



speeches in which he has said he wants to get the Government out of the farming business; and others have spoken along the same line. These amendments will bring that issue to a head.

Mr. HUMPHREY. The Senator from Indiana is correct.

Mr. CAPEHART. In the end, I may be sorry that I am the author of the amendments—as the Senator from Minnesota has said. But at least I am laying squarely on the table the questions whether we do or do not want to continue the program in the way it is now going; whether we want to eliminate entirely price supports, commencing January 1st; whether we wish to return to 90 percent of parity; or what else we wish to have done.

In other words, I am now placing those questions on the table; and now let us see who favor and who oppose the various proposals, and whether we mean what we have been saying, and whether we are willing to stand up and be counted and whether we have the courage now to get down to the business of making some necessary changes. Certainly something must be changed, because the present program is not working.

Mr. HUMPHREY. Mr. President, the Senator from Indiana is rendering a real service in bringing this issue to a head. He can rest assured that it will come to a head; the political boil which is the product of rather foolish and reckless administration will certainly be lanced in one way or another. I think we owe the Senator from Indiana a debt of gratitude for having had the frankness and the courage to say point blank that the administration's policies of lowering agricultural-commodity price supports can lead to only one result—namely, increased production and, ultimately, lower prices to be received by the farmers for the agricultural commodities they produce.

The Senator from Indiana has said he wants to get the Government out of the farming business. That is what the Secretary of Agriculture and the administration say they want, too. I should like to have the farmers have a chance to be in the farming business; and one of the ways to get that done is to have a sensible farm program which will provide marketing conditions which will be susceptible to fair prices and will give the farmers an opportunity to control their marketings, so they are not

placed at the mercy of dumpings on the market during the harvest period, when the farmers must accept the prices which are offered, and so they will not have greatly reduced income with which to purchase in the nonmarketing periods the articles they need.

Mr. McNAMARA. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. McNAMARA. I thank the Senator from Minnesota for yielding.

Mr. President, I hope the two Senators who are such experts—and I think it is encouraging to note that they agree—

Mr. HUMPHREY. We agree to disagree.

Mr. McNAMARA. I hope they will agree on the steps which need to be taken in order to decrease the surpluses. I think the Senator referred to \$9 billion worth of surplus agricultural products. Is that the correct figure?

Mr. HUMPHREY. We are talking about an investment on the part of the Commodity Credit Corporation of some \$9 billion in 1959, as compared with \$1,200 million in 1952, when there were in effect 90 percent of parity price supports.

Mr. McNAMARA. We have been reading in the newspapers and hearing statements to the effect that we have been shipping the surpluses to needy people throughout the world. Does the Senator say that, despite such a program, there are tied up \$9 billion worth of surplus foods?

Mr. HUMPHREY. That is the figure. The Senator's observation is correct. The trouble with our overseas program is that it is a program of limited duration and limited amounts. If it were properly developed, a great deal more would be done.

Mr. McNAMARA. Is the new committee which is to be headed by the distinguished Senator from Missouri [Mr. SYMINGTON] going to take into consideration the fact that there are still throughout the world hordes of hungry people who need the food surpluses? Will the committee give consideration to that fact?

Mr. HUMPHREY. Yes.

Mr. McNAMARA. While large surpluses have existed for 4 or 5 years, they have been building up to tremendous proportions; and yet there are many needy people throughout the world. Is it not correct to say that the problem

involved is getting proper distribution of the food surpluses to hungry people, and that consideration of that problem should be brought into the picture?

Mr. HUMPHREY. The Senator is correct. Furthermore, there is involved the question of utilizing our food and fiber as a part of our foreign program for peace and security in the world. Any administration that cannot plan how to use food and fiber for that purpose is, may I say, bankrupt in imagination and initiative.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 20, 1959, he presented to the President of the United States the enrolled bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

#### ADJOURNMENT

Mr. SMATHERS. Mr. President, I move that the Senate stand adjourned until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 13 minutes p.m.) the Senate adjourned until tomorrow, Thursday, May 21, 1959, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate May 20, 1959:

##### THE NATIONAL AERONAUTICS AND SPACE COUNCIL

William A. M. Burden, of New York, to be a member of the National Aeronautics and Space Council, to which office he was appointed during the last recess of the Senate.

Dr. John T. Rettallata, of Illinois, to be a member of the National Aeronautics and Space Council.

##### APPOINTMENTS IN THE NAVY AND MARINE CORPS

The nominations of David K. Bishop, and other officers for appointment in the Navy and in the Marine Corps, which were confirmed today, May 20, 1959, were received by the Senate on May 7, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of David K. Bishop which is shown on page 6912, and ending with the name of Herman B. West, which is shown on page 6919.



# House of Representatives

WEDNESDAY, MAY 20, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 118: 24: *This is the day which the Lord hath made; we will rejoice and be glad in it.*

O Thou who hast blessed us with the gift of a new day, may there be nothing in this day's work of which we shall be ashamed, when the sun has set nor at the eventide of our life when Thou shalt call us to Thyself.

Establish within us those loyalties and integrities which cannot be shaken but will be our support in our times of temptation and trial.

May the strength and splendor of our faith in Thee be made manifest as we daily strive to discharge those tasks and responsibilities which Thou hast committed unto us.

Fill us with a deep longing to have a larger part in opening for men and nations everywhere the gateway to the more abundant life.

To Thy name we ascribe all the glory. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4245. An act relating to the taxation of the income of life insurance companies.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 72. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1094) entitled "An act to amend the Bretton Woods Agreements Act," requests a conference with the House on the disagreeing votes

of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. GREEN, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. HICKENLOOPER, and Mr. LANGER to be the conferees on the part of the Senate.

## JOSE FIGUERES

(Mr. PORTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PORTER. Mr. Speaker, I should like to call attention to the presence in the United States of the distinguished former President of Costa Rica, Jose Figueres, with his lovely American wife, Karen. Pepe, as he is affectionately known by his many friends in the Western Hemisphere and in Europe, has fought, with social, political, economic, and military weapons, against dictators and communism and for democracy and human rights.

Figueres, who is both an idealist and a practical politician, an economist, and a successful farmer, reports that we—the free world, that is—are losing the cold war in Latin America, even though the fight against dictators is being won. He asks that we make our love of representative democracy better known. He asks that we concentrate on the development of trade, not aid.

I am sure, Mr. Speaker, that we warmly welcome this keen and salty leader of the free world fight in the Western Hemisphere. We respect him. We listen to him with special interest in this time when we want to develop a much more effective and friendly relationship with our good neighbors to the South.

## DEPARTMENTS OF STATE, JUSTICE, AND THE JUDICIARY APPROPRIATION BILL

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, Thursday, to file a report on the bill making appropriations for the Departments of State, Justice, and the Judiciary, and related agencies.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW reserved all points of order on the bill.

## HON. JAMES L. WHITLEY

(Mrs. WEIS asked and was given permission to extend her remarks at this point in the RECORD.)

Mrs. WEIS. Mr. Speaker, it is with a deep sense of regret that I report to the House the passing of a former colleague

and one of my predecessors, the Honorable James L. Whitley, of Rochester, who passed away on Sunday evening.

Jim Whitley, who would have been 87 next Sunday, dedicated his entire life to the public service, and his friends and acquaintances among the leading political figures of his day were legion. Presidents, Governors, Senators, Congressman, State legislators—he was close to many of them. Perhaps even more important, he was equally close to a host of party workers and to the little people of our community.

A lifelong Republican himself, Jim Whitley's friendships knew no party bounds, and the late Al Smith, former Governor of New York and the 1928 Democratic Presidential candidate, was one of his closest and dearest friends.

He was a warm, outgoing man, whose greatest source of satisfaction came from serving the people he represented, and he served them long and well, in a variety of posts.

He was first elected to the New York State Legislature in 1906, and in 1918 he moved to the State senate, where he served with distinction until his election to the House of Representatives in 1928 as the Representative from New York's 45th District. In both Albany and Washington his record was a distinguished one.

Mr. Speaker, Jim Whitley was a personal friend of mine, and I know I speak for all of his friends when I say that he will be sorely missed. To his wife, Ora, and his son, Jim—both of whom have my deepest sympathy—I can say only that we who were privileged to know Jim and count him as a friend share fully in your deep sorrow at his passing.

## APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The SPEAKER. The unfinished business is on the motion to suspend the rules and pass the bill H.R. 7007.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 294, nays, 128, not voting 11, as follows:

[Roll No. 46]

YEAS—294

Adair  
Addonizio  
Albert

Alford  
Anderson,  
Mont.

Anfuso  
Arends  
Ashley







# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

## CONTENTS

Issued May 22, 1959  
For actions of May 21, 1959  
86th-1st, No. 82



Adjourned.....	13	Guam.....	23	Purchasing.....	10,34
Appropriations.....	3,7	Housing.....	5	Reclamation.....	14
Centennial celebration..	20	Insecticides.....	9	Research.....	5,17
Cheese.....	15	Intergovernmental		Small business.....	10
Commissions.....	24,26	relations.....	24	Soil bank.....	18
Conservation reserve....	18	Lands.....	22,25,30	Statehood.....	16
Country life.....	26	Leave.....	31	Surplus commodities....	21
Diseases.....	28	Legislative program....	12	Taxation.....	27,35
Electrification.....	4	Livestock.....	28	Tobacco.....	1
Farm labor.....	5	Minerals.....	22	Transportation.....	11
Farm loans.....	5,29	Nomination.....	4	TVA.....	4
Flood control.....	33	Personnel.....	27,31	Virgin Islands.....	23
Foreign aid.....	32	Plant industry.....	9	Watersheds.....	6
Forest lands.....	30	Poultry.....	23	Wheat.....	2,8,19
Forest products.....	11	Price supports.....	1,2	Wildlife.....	25
Forest research.....	17				

HIGHLIGHTS: Senate passed tobacco price support bill. Senate debated wheat bill. House committee voted to report wheat bill. Senate committee disapproved proposed amendments to wheat bill. House passed housing bill. House committee reported State-Justice appropriation bill. Senate committee reported Treasury-Post Office and D. C. appropriation bills. Sen. Muskie and others introduced and Sen. Muskie discussed bill to establish Commission on Intergovernmental Relations. Sen. Humphrey introduced and discussed bill to establish Country Life Commission.

## SENATE

1. TOBACCO. Passed with amendment S. 1901, to modify price supports for tobacco. pp. 7863-74

Agreed to an amendment by Sen. Butler to strike from the first section of the bill "Agricultural Act of 1948" wherever it appears, and insert in lieu thereof "Agricultural Act of 1949." p. 7869

Sen. Jordan stated the purpose of the bill as follows:

"It provides that there shall be no increase in the dollars and cents level of price supports on most types of tobacco above the 1958 price support level until price support computed under old parity exceeds the 1958 dollars and cents level. It further provides that in the event the price support under old parity exceed 1958 supports, then the Secretary

shall choose between old parity or new parity in setting price supports, whichever is lower.

"The practical effect of the bill will be to prevent an increase of about 1 to 2 cents per pound in tobacco prices each year for the next 4 to 6 years."

2. WHEAT. Began debate on S. 1968, to revise price supports and acreage allotments for wheat. pp. 7874-6, 7890-2, 7922-3

Agreed to a unanimous-consent agreement by Sen. Johnson that beginning Fri., May 22, debate on any amendment, except the Capehart amendment in the nature of a substitute, shall be limited to one-half hour, and debate on final passage shall be limited to 3 hours. pp. 7890-2

The "Daily Digest" states that the Agriculture and Forestry Committee "held an executive session to consider proposed amendments to S. 1968, to strengthen the wheat marketing quota and price support program, which bill is now the Senate's unfinished business. The committee disapproved, by a vote of 6 to 10, a substitute bill which would have provided for a mandatory cut of 20 percent in wheat acreage allotments with a price support of 85 percent of parity. Committee also disapproved, by a vote of 7 to 9, proposed amendments which would have provided price supports of 75 percent of parity to producers planting full allotments, and 85 percent of parity to those producers reducing acreage allotments 20 percent or more." pp. D379-80

3. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 5805, the Treasury-Post Office appropriation bill for 1960 (S. Rept. 305), and H. R. 5676, the D. C. appropriation bill for 1960 (S. Rept. 304). p. 7850

Agreed to a unanimous-consent request by Sen. Hayden to provide that, during adjournments or recesses of the Senate during the 1st session of the 86th Congress, the Appropriations Committee shall be authorized to report appropriation bills, including joint resolutions, with accompanying notices of motions to suspend paragraph 4 of rule 16 (which prohibits legislative provisions in appropriation bills) for the purpose of offering certain amendments to such bills or joint resolutions. p. 7856

4. NOMINATION. Received the nomination of Brooks Hays to be a member of the Tennessee Valley Authority Board. p. 7924

#### HOUSE

5. HOUSING. Passed, 261-160, with amendments S. 57, the housing bill. House conferees were appointed. pp. 7928-71, 7978-9

Agreed to a series of amendments to change the method of financing from the "backdoor" method of Treasury authorizations to direct Congressional appropriations. These amendments had been previously adopted by the Committee of the Whole (see Digest 81).

As passed, S. 57 includes provisions for farm housing research grants and housing for migratory farm labor through the insurance of the farm home loans made by private lenders.

6. WATERSHEDS. Received from the Agriculture Committee a letter announcing the approval of projects in Ala., Iowa, Tenn., and Utah under the Watershed Protection and Flood Prevention Act. p. 7927
7. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 7343, the State, Justice, Judiciary, and related agencies appropriation bill for 1960 (H. Rept. 376). p. 7981



8. WHEAT. The Agriculture Committee voted to report a wheat bill, H. R. 7246 (amended and in lieu of H. R. 7118). As amended, the bill is the same as the summary in Digest 81, item 24, except that the acreage-allotment reduction would be 25% instead of 30%. p. D382
9. PLANT INDUSTRY. The Agriculture Committee voted to report with amendment H. R. 6436, to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants. p. D382
10. SMALL BUSINESS. Rep. Patman inserted the current proposals for congressional action from the Small Business Association of New England, including a recommendation that "Small Business Administration have representation in Government procurement agencies." pp. 7973-5
11. TRANSPORTATION; FOREST PRODUCTS. Rep. Porter stated that the "supply of freight cars is expected to fall 40% short of the needs of the lumber industry in the Northwest before the year is ended," and inserted an editorial urging Congress to have ICC take appropriate action to remedy the situation. pp. 7975-8
12. LEGISLATIVE PROGRAM. Rep. McCormack stated on Mon., May 25, the House would consider the general government matters appropriation bill for 1960, followed by the State-Judiciary Departments appropriation bill, and on Thursday, the Commerce Department appropriation bill, and in the middle of the week, the following bills if rules are reported out: H. R. 5140, to extend the Reorganization Act of 1949; H. R. 7246, a wheat quota and price support bill; H. R. 5752, a Federal employees legal holidays bill; H. R. 7086, to extend the Renegotiation Act of 1951; H. R. 3160, the water pollution bill; and H. R. 4532, a grain feed price support bill. p. 7954
13. ADJOURNED until Mon., May 25. p. 7980

#### ITEMS IN APPENDIX

14. RECLAMATION. Sen. Humphrey inserted an address by Gov. Steve McNichols, Colo., opposing the administration's "no-new-starts" reclamation policy and stating that this policy "impairs the economic strength of the entire country ..." pp. A4265-7
15. CHEESE. Extension of remarks of Sen. Wiley citing the importance of direct mail advertising to gift cheese shippers and inserting a report, "Wisconsin Cheese Sold By Mail Provides Important Markets." p. A4276
16. STATEHOOD. Sen. Nueberger commended and inserted an article, "Alaska: Eagle State." pp. A4287-8  
Rep. Rivers inserted Rep. O'Brien's speech discussing his interests and efforts toward statehood for Alaska. pp. A4301-2  
Rep. Multer inserted an article, "The Happy State of Hawaii." pp. A4316-7
17. FOREST RESEARCH. Sen. Wiley inserted a letter from the secretary-manager of the Northern Hemlock and Hardwood Manufacturing Assoc., favoring additional funds for research on forest blight and disease. pp. A4288-9
18. CONSERVATION RESERVE. Rep. Jensen inserted a letter from the Administrator, Soil Conservation Service, refuting as "misleading and unfounded," a newspaper article charging that a SCS employee in N. Mex., had rented State-owned lands and placed them in the conservation reserve program at a profit. p. A4290



19. WHEAT. Rep. Marshall inserted correspondence between Rep. Wier and a constituent discussing the need for enacting "a sound and reasonable wheat bill." pp. A4294-5  
Rep. Breeding inserted a resolution of a group of wheat farmers favoring 100 percent of parity if wheat acreage is cut 20 to 30%. p. A4310
20. CENTENNIAL CELEBRATION. Rep. Johnson, Colo., inserted an article discussing the proposed centennial celebration of the establishment of USDA and the land grant colleges, and favoring a centennial celebration during 1962 of the Homestead Act. p. A4310
21. SURPLUS COMMODITIES. Rep. Broomfield inserted two newspaper articles discussing food surpluses, "Our \$9 Billion Headache," and "'Little Farm' Plan Helps Rich Instead." pp. 4317-8

#### BILLS INTRODUCED

22. LANDS. S. 2033, by Sen. Bible (for himself and Sen. Cannon), to amend the mining laws of the United States to provide for the inclusion of certain non-mineral lands in patents to placer claims; to Interior and Insular Affairs Committee.  
H. Con. Res. 177, 178, 179, 180, 181, 182, 183, and 184, by Representatives Aspinall, Baring, Edmondeon, Post, Powell, Rogers, Tex., Saylor, and Ullman, declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other land; to Interior and Insular Affairs Committee.
23. GUAM; VIRGIN ISLANDS. S. 2024, by Sen. Murray, to provide for a Resident Commissioner from Guam and a Resident Commissioner from the Virgin Islands; to Interior and Insular Affairs Committee.
24. INTERGOVERNMENTAL RELATIONS. S. 2026, by Sen. Muskie (for himself and others), to establish an Advisory Commission on Intergovernmental Relations; to Government Operations Committee. Remarks of Sen. Muskie. pp. 7851-3
25. WILDLIFE. S. 2030, by Sen. Neuberger, to require the use of humane methods of trapping animals and birds on lands and waterways under the jurisdiction of the United States; to Interior and Insular Affairs Committee. Remarks of author. pp. 7853-4
26. COUNTRY LIFE. S. 2031 by Sen. Humphrey (for himself and Sen. Young, Ohio, to establish a Commission on Country Life; to Agriculture and Forestry Committee. Remarks of Sen. Humphrey. p. 7854
27. TAXATION. S. 2034, by Sen. Bible, to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such act: to District of Columbia Committee.
28. DISEASES. H. R. 7317, by Rep. Fisher, to provide greater protection against the introduction and dissemination of diseases of livestock and poultry; to Agriculture Committee.
29. FARM LOANS. H. R. 7319, by Rep. McIntire, to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years; to Agriculture Committee.



But the impact upon the price level may be an unhappy one, indeed. There could be only one offset, and that would be to cut down the supply, if a commodity cannot be sent into the world markets, but must be used in this country.

Tobacco supports must be geared to modern production techniques. There has been allusion to old parity and modernized parity. As long as I have been laboring with this problem, I still become somewhat confused at times.

Old parity and modernized parity rely heavily on price relationships on the day, formerly on mule and plow, or man and hoe. But this is a different age, with a different technology, and we must recognize that fact.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. YOUNG of North Dakota. The present so-called modernized parity formula still uses the 1910 to 1914 base period. Would the Senator from Illinois favor deleting the 1910-14 base period reference and using the same base period as labor and industry are using, namely, 1947-49?

Mr. DIRKSEN. I do not know whether I would or not, as a matter of fact.

Mr. YOUNG of North Dakota. I do not think the Senator would, because to do so would increase parity.

Mr. DIRKSEN. We have to spell out all the details. When it is reduced to paper, we look at all the figures, we consider the price index on both sides of the ledger, we do a little puzzling, and we come to a conclusion.

Mr. YOUNG of North Dakota. I am one who favors deleting the reference to the 1910-14 base period. I want the formula to be modernized. I want to use the same parity as labor and industry use.

Mr. DIRKSEN. I would not quarrel with that, one way or the other. I simply say that in every case the problem is resolved in language and in terms which can be understood; then we determine whether or not it is acceptable.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I would not quarrel with what the Senator from North Dakota said. If the period 1947-49 is good for industry, it ought to be good for agriculture. However, the effect would be simply to aggravate the situation we are considering today. Tobacco, instead of being supported at 56 cents or 58 cents, would be supported at a price considerably higher than that.

One reason why the modernized parity formula has increased the parity price of tobacco is that a large part of the production of a tobacco crop still requires the use of much hand labor, the cost of which has gone up. Push-button agricultural enterprises, in which there is hardly any hand labor used any more, can do much better at a lower percentage of parity.

But the Senator from North Dakota has a good point. We are using one absolute period on which to base farm prices and another one on which to base industrial prices and wages.

The parity formula, as I have said, is today obsolete for a good share of the crops, because there has been no way found to give a weighting to the use of hormones, weed killers, and all the other new technological inventions. They cannot be woven into the parity formula to give them a weighting. I have been seeking for years to have that done, but I am told there is no way to do it. Nevertheless, those factors have made it possible to produce very large crops at half the cost of 20 years ago.

Mr. DIRKSEN. If it is desired to adopt the most current kind of formula, it should be the one recommended by the Department, namely, a 3-year average of prices for the 3 preceding years. That would be the most current formula which could be adopted.

Mr. YOUNG of North Dakota. If that parity formula had been in effect in 1934, when the average price for wheat for the 3 previous years was 33 cents a bushel, the price would have been 75 percent of 33 cents a bushel, or 26 cents a bushel; and that would be meaningless. That is why I oppose such a plan.

Mr. DIRKSEN. That would be for only 1 year. There would be nothing to prevent Congress from examining into the question after that, in 4 or 5 years. That would be a matter of legislative determination. But at least there would be a striking of an average of the preceding years.

From all the observations by the Department, as carried in the memorandum which was submitted, they came to the conclusion that if there is to be legislation, it should follow one of two courses. First, it should relate support price to market price or market average. That is one course.

If it is desired to go back to parity, then the Department says if parity is used, wide discretion should be given to the Secretary with respect to support levels. The bill does not gear itself to average market price, and the discretion is not there. So it is understandable why the Department of Agriculture opposes the bill, and I think it is understandable why the American Farm Bureau Federation opposes the bill.

If I had to assign reasons in very brief compass, they would be, first, that the bill freezes price supports at current high levels. Actually, tobacco prices, if I understand the business, could advance, and probably would advance. The bill sets a limit so that they cannot advance.

It can well be argued in that respect that this is a pretty acceptable approach. I suppose, in terms of the suggestion made by the distinguished Senator from Vermont [Mr. AIKEN], if it were done on a dollars and cents basis for a very limited period, with whatever other qualifications there were as a stopgap, that might be all right.

But if prices are frozen at the current high levels, we certainly will not come to grips with the foreign export problem which now exists. If we try to change the level, get it down, or modify it, we will have difficulty. Meanwhile, if the figures submitted by the Department are correct, it means that there will be a steady deterioration in our export markets, and

that the amount of the exports will continue to go down, down, down.

The second reason assigned by the Department is that to go back to parity, both old and new, actually we will be picking up an old, discredited formula, so that there will be one price support formula for one commodity and another formula for another commodity.

The third point is that there would be a dual standard of parity prices.

These, in the main, with the possible exception that some little advantage might be given to tobacco growers over the growers of other commodities, are the basic reasons why the Secretary of Agriculture is opposed to the bill.

I felt, in all fairness, that I had a responsibility to make that case in a rather rounded context. There I shall leave it. But I thought I should express to the Senate the fact that the Farm Bureau Federation opposes the bill. However, in fairness, I think it must be said that some of the State farm bureau federations favor the bill. Very likely in Kentucky the State federation favors the bill. I am not positive of that; I presume they do. But the American Farm Bureau Federation opposes the bill on larger grounds.

The Department of Agriculture opposes the bill, because it does not believe the bill does the job which needs to be done.

That is the case with respect to the bill, as unemotionally made as I can make it. I am content to rest it there.

Mr. KEATING. Mr. President, will the distinguished Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. KEATING. Some of these farm problems have to be stated rather simply for the benefit of some of us who are far from being experts in these fields—although I know of the clear grasp the distinguished Senator from Illinois has of these problems, as well as of all others with which he has to deal.

Mr. DIRKSEN. Mr. President, I wish I could be sure of that.

Mr. KEATING. Would it be fair to conclude—or would it be an oversimplification—that the position of the Department is that the present formula would eventually, at least, result in lower prices for tobacco than would be brought about by the proposed legislation now before us; and that, therefore, the tobacco growers and distributors in the United States would be better able to compete in the foreign market?

Mr. DIRKSEN. That would be one factor; but the Department has to look down the road and to think in terms of a period of years, for the benefit of American agriculture. So, as the Department sees the export market decreasing, and—and more important—as it sees the foreign acreage of tobacco expanding, with a possibility that American growers will never get back the market, the question then is, what is the best course to pursue, not only for the American tobacco growers, but also for all those who are identified with the tobacco industry, because the problem is not alone a growers' problem.

Mr. KEATING. No, it is not.



MR. DIRKSEN. As the Department sees that problem in the large, it believes that, of course, there must be flexibility in the program, and it must not be frozen at a level which would not give the American growers a chance to compete; and the Department believes that the American producers can successfully compete in the world market, insofar as tobacco is concerned.

Mr. KEATING. I do not wish to seem parochial about the matter. In my State, tobacco is not produced; but in my State there are many persons who are engaged in the distribution of tobacco.

The argument the distinguished Senator from Illinois has advanced impresses me—as does the opposition of the American Farm Bureau, for which I have such high regard—with the fact that probably the interests of the distributors of tobacco would not be served by the enactment of this proposed legislation.

Mr. COOPER. Mr. President, on that point, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. COOPER. Evidently the Senator from New York is interested in the position of the tobacco export associations. I previously placed in the RECORD a statement showing that 34 tobacco associations, organizations, and representative groups of growers, distributors, and warehousemen support this bill; all of them support it. Among them is the New York Exporters Associations—the Leaf Tobacco Board of Trade in New York City—as well as the Leaf Tobacco Exporters Association to which several New York firms also belong. I know that.

Mr. KEATING. Am I to understand that the dealers in tobacco and the export associations unitedly support this bill?

Mr. COOPER. Yes. I will give the Senator from New York the list which shows that the New York Exporters Associations strongly support this bill. I refer the Senator also to the statement on page 4 of the House committee hearings on March 25 of a representative of the Leaf Tobacco Board of Trade of the city of New York.

Mr. KEATING. I shall be exceedingly interested in seeing it. Is the distinguished Senator from Kentucky able to enlighten us as to the basis for the support of the bill by the exporters associations?

Mr. COOPER. Certainly. The distinguished Senator from North Carolina [Mr. JORDAN] elaborated very clearly on that point only a few moments ago. It is as follows: Under the present modernized parity formula, there is an automatic advance in prices. Evidently the price has reached a point where foreign purchasers think it is too high, and they are now buying from other sources, although they prefer American tobacco.

One point which has not been brought out is that in the tobacco industry the purchasers do not purchase for current use, or even one year's supply; instead, they may stock suppliers for several years in advance of use, because the tobacco has to be aged and processed.

If we were to enact a 1-year or a 2-year freeze, they would not know what would happen. They simply would not buy tobacco; or else they would buy only for their minimum and immediate needs. But if they know the price will be stabilized over a period of years, they will buy more tobacco.

Evidently that is the reason why the tobacco export associations are favoring this bill.

Mr. KEATING. I appreciate the explanation given by the distinguished Senator from Kentucky; and I thank the distinguished Senator from Illinois for yielding.

Mr. DIRKSEN. Mr. President, I have only one other observation to make: As in the case of New York, no tobacco is produced in my State. But that is no reason why I should not be interested in tobacco, because it is a part of the agricultural economy; and that economy moves either up or down in the case of either wheat, soybeans, tobacco, or any of the other commodities which are parts of our overall agricultural economy. I would certainly be distressed if at some time in the future we were to come close to losing our entire export market. In that event, in order to use up the crop on a domestic basis, what would have to impress itself upon the tobacco growers would be, indeed, a very unhappy thing; and it would have to translate itself in terms of the most drastic controls, if any kind of a livelihood were to be made from the production of tobacco. But that could not be done in the case of only one crop without having the effect of such a policy felt by all other crops in the entire agricultural domain.

That is why the problem dealt with by the pending bill cannot be considered apart or isolated from the problems of the rest of our agricultural economy.

Mr. President, I believe I have fairly stated the case; and there I am content to leave it.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1901) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(c) of the Agricultural Act of 1949 is amended by deleting the period at the end thereof and adding a colon and the following: "Provided, That for any kind of tobacco (other than Connecticut Valley cigar binder types 51 and 52) for which marketing quotas were in effect for the 1958 crop, the level of support computed in dollars and cents for each subsequent crop of such tobacco for which marketing quotas are in effect shall not exceed the level of support computed in dollars and cents applicable to the 1958 crop until 90 per centum of the parity price as of the beginning of the marketing year for a subsequent crop computed in the manner used prior to the enactment of the Agricultural Act of 1949 exceeds the level of support applicable to the 1958 crop or 90 per centum of the parity price computed as provided in the Agricultural Adjustment Act of 1938, as amended, whereupon the level of support for such subsequent crop and each crop thereafter shall*

be 90 per centum of the parity price as of the beginning of the marketing year computed in the manner used prior to the enactment of the Agricultural Act of 1949, or computed as provided in the Agricultural Adjustment Act of 1938, as amended, whichever computation results in the lower level of support: *And provided further,* That in computing parity in the manner used prior to the enactment of the Agricultural Act of 1949, the parity index as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended, shall be used except that in lieu of the period January 1910 to December 1914, inclusive, the base period applicable to the kind of tobacco prior to the enactment of the Agricultural Act of 1949 shall be used."

SEC. 2. Section 2 of the Act of July 28, 1945, as amended (59 Stat. 506; 7 U.S.C. 1312 note), is amended by deleting the proviso at the end thereof and substituting therefor a new proviso reading as follows: "Provided, That beginning with the 1959 crop, the level of support for each such kind of tobacco shall not exceed a maximum level of support determined therefor pursuant to the provisos in section 101(c) of the Agricultural Act of 1949, as amended."

Mr. ELLENDER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JORDAN. Mr. President, I move to lay on the table the motion to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

#### WHEAT ACT OF 1959

Mr. ENGLE obtained the floor.

Mr. ELLENDER. Mr. President will the Senator from California yield to me?

Mr. ENGLE. I yield to the Senator from Louisiana if it is understood that I shall not thereby lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 283, Senate bill 1968, to strengthen the wheat-marketing quota and price-support program.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 1968) to strengthen the wheat-marketing quota and price-support program.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from California yield to me?

Mr. ENGLE. I yield, if it is understood that I shall not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. I thank the Senator from California for yielding to me.

Mr. President, wheat surpluses have been mounting. This is largely because of modern mechanized farming, new technology in agriculture, unusually favorable weather conditions, and over-seeding of quotas. While production has increased, national consumption for hu-



man food purposes remains approximately the same as it has been for the past 30 years. We have sizable exports, but not enough to prevent the buildup of surpluses.

I think everyone recognizes that something has to be done to stop the pileup of wheat surpluses. It is obvious that lower price supports—as being advocated by many—will not do the job. One look at the new corn program ought to convince any thinking person familiar with farm problems that lower prices do not mean decreased production of field crops. I emphasize field crops, because there is a difference between field crops and perishable commodities. Corn planting this year is up 12 percent, and this year's crop may well be the first 4 billion bushel corn crop in history. By next year, in all probability, corn will be in much greater trouble than wheat is today. This does not mean that we should not do something about wheat now.

The latest wheat program of Secretary of Agriculture Benson would lower price supports from the 1958 level of \$1.82 to approximately \$1.45 a bushel for the 1960 crop, and lower for succeeding years. Based on a 1,100 million bushel crop—last year's crop was 1,450 million bushels—this would mean a loss in income to wheat producers of over \$400 million a year.

Wheat farmers are willing to take a lower price for wheat that is exported, but believe they are entitled to parity or a better price for that portion which is used for human food consumption in the United States. As I previously stated, approximately 500 million bushels of wheat is consumed each year in the United States for human food. Despite the rather severe drop in wheat prices in recent years and a big increase in population, the national wheat consumption remains the same, and surpluses continue to mount.

Secretary Benson's proposals would mean a drop in wheat prices of 37 cents a bushel for next year. This drop of 37 cents a bushel just on the wheat used for human food consumption would mean a loss to farmers of approximately \$185 million a year.

While it would be disastrous to farmers, it would be another one of many windfalls the middleman has received in recent years. It would be of no help whatever to the consumers.

This has been the experience year after year. Farm prices have dropped. But still the consumers are paying just as much as they were paying 5 or 10 years ago, or more. For example, the average farm price for wheat in 1947 was \$2.29 a bushel, and the average price of a loaf of bread was 12.5 cents. By 1958 the average wheat price had dropped to \$1.72 a bushel. Yet, despite this drastic drop in the price of wheat, the price of bread to consumers has risen from 12.5 cents to 19.3 cents a loaf, or about 35 percent, during the very period when wheat prices have dropped about 60 cents a bushel.

Mr. President, I ask unanimous consent to have printed at this point a table prepared by the United States De-

partment of Agriculture, giving detailed information concerning the drop in wheat prices and the parallel increase in bread prices.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Season average price received for wheat by farmers, price of a 1-pound loaf of bread for corresponding periods*

Year	Wheat	Bread
1945.....	\$1.49	8.8
1946.....	1.90	10.4
1947.....	2.29	12.5
1948.....	1.98	13.9
1949.....	1.88	14.0
1950.....	2.00	14.3
1951.....	2.11	15.7
1952.....	2.09	16.0
1953.....	2.04	16.4
1954.....	2.12	17.2
1955.....	1.99	17.7
1956.....	1.97	17.9
1957.....	1.93	18.8
1958.....	1.72	19.3
1959, 3 months.....		19.6

<sup>1</sup> Preliminary.

Source: Office of Price, Murray Thompson, USDA:

Mr. YOUNG of North Dakota. Mr. President, never once in the past 15 years has a drop in the price of wheat been reflected, even by a fraction of a cent, in the price of bread, pastries, or other products made from wheat.

After all the experience of the past, it seems unconscionable that Secretary Benson would now propose a still further drop in the price of wheat. Everyone knows full well that it would hurt the farmers badly and be of no help to the consumers.

Mr. President, the present wheat price support bill now on the Senate Calendar contains some good features. It would tighten up on production controls—and this, along with the 80 percent price support feature and a 20 percent cut in quotas, would mean some lowering of production. It provides price supports of 65 percent of parity for farmers who are willing to plant within their present quotas, and 80 percent of parity for those who would reduce their acreage by 20 percent.

Anyone who is acquainted with the wheat farming business would agree, I am sure, that practically all farmers would take the lower price support to avoid a 20 percent reduction in production. For all practical purposes, it is a 65 percent price support bill. This would mean \$1.53 a bushel wheat for farmers at a time when the cost of everything they have to buy for their operations is increasing sharply. At best, this bill would result in no more than a 100 to 150 million bushel drop in production. The bill could be considerably improved by adding one additional feature. That is, providing 75 percent of parity supports, or the present level, to farmers who would be willing to reduce their acreage by 10 percent. Even if we retain a provision for 75 percent supports, because of Secretary Benson's change in the parity formula, it will mean 5 cents a bushel less than the 75 percent supports of last year. If farmers reduced their acreage 20 percent, they would still only get 80 percent of parity, or \$1.87 a bushel, which

is only 5 cents a bushel more than the \$1.82 a bushel they received last year under the 75 percent program.

May I again emphasize, Mr. President, that if farmers reduce their acreages by 20 percent under the bill, they would still get only 5 cents a bushel more than they got last year for planting within their quotas.

Providing 75 percent supports—under the new parity formula \$1.77 a bushel—for those farmers willing to reduce their production by 10 percent would make this a much more workable, effective, and acceptable wheat program. It would mean a far greater decrease in wheat production. While this would still be far from a good bill, it certainly would be much better than none at all—and immeasurably better than that proposed by Secretary Benson.

The pending bill is intended only as stopgap legislation to help curtail surpluses until a better program can be worked out by the farm organizations, other interested people, Congress, and the Secretary of Agriculture, if he is willing to cooperate.

Mr. President, I would much prefer the domestic parity plan to anything that has been proposed to date. I shall support other Senators who will offer this as a substitute for the pending bill. If this motion should lose, I will then offer amendments to improve the pending bill.

Mr. CARLSON. Mr. President, will the Senator from California yield to me so that I may commend the Senator from North Dakota?

Mr. ENGLE. I yield, with the understanding that I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. I wish to commend the Senator from North Dakota, who is not only a member of the Senate Committee on Agriculture and Forestry, but is thoroughly familiar with the problem which will soon be under consideration, and that is the wheat problem. Everyone agrees there is a wheat surplus in this country and that the solution of this problem is not an easy one.

I appreciate very much the statement of the Senator from North Dakota that a reduction in acreage and a reduction in price supports will not solve the wheat problem but may aggravate it. It is a question we should deal with on a permanent basis. I hope, before we get through considering this bill, we may be able to adopt a two-price parity system which would provide parity price for wheat produced for domestic consumption, and an equitable price for wheat, other than that needed for domestic consumption.

On February 19, I introduced S. 1170 which is cosponsored by many other Senators from the wheat-producing area.

This bill if enacted into law would stabilize wheat marketing, thereby stabilizing the income of wheat farmers and reduce Government stocks of wheat.

Mr. YOUNG of North Dakota. Mr. President, I appreciate the remarks made by my good friend and one who lives in the greatest wheat-producing State of all and one who has made a thorough



study of this problem. Men like the Senator from Kansas [Mr. CARLSON] have spent their lifetimes in the wheat business. They know more about what can be done with a price support program than do all the "sidewalk" farmers who have been brought to Washington to try to solve the wheat problem.

I wish we had someone in the Department of Agriculture who had the good, common horse-sense knowledge of wheat that the Senator from Kansas does.

Mr. YOUNG of North Dakota. Mr. President, I wish to express my appreciation to the distinguished Senator from California for his courtesy in yielding so that I might make my statement.

Mr. ENGLE. It was a pleasure to yield to the Senator.

Mr. President—

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. ENGLE. Mr. President, I ask unanimous consent that I may yield to the Senator from West Virginia for the purpose of making a statement, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

#### COAL RESEARCH AND DEVELOPMENT COMMISSION

Mr. BYRD of West Virginia. Mr. President, the House Committee on Interior and Insular Affairs has unanimously reported H.R. 6596, which would create an independent Coal Research and Development Commission to encourage and stimulate the production and conservation of coal. The bill is identical to S. 49, which was introduced in the Senate on January 9, by the junior Senator from Illinois, the senior Senator from Montana, the senior Senator from Colorado, the senior Senator from Wyoming, and the Senators from Pennsylvania, Kentucky, and West Virginia.

It is mandatory that one of these measures receive quick and favorable action by the Senate. In order that my colleagues may familiarize themselves with the need for and intent of coal research legislation, I should like to recount briefly the history of this important proposal. In June, 1956, the House of Representatives, alert to coal's prominent role in the Nation's economic structure and mobilization base, approved without a single objection a resolution to undertake a study of the advisability of a coal research program. Hearings were held in Pennsylvania, Virginia, Ohio, and Oklahoma. Witnesses included officials of seven States, representatives of coal, railroad, electric utility, and other allied industries, and members of the United Mine Workers of America. The U.S. Bureau of Mines also took part in the hearings.

By August 1957, the subcommittee conducting the investigation had accumulated adequate information to recommend without qualification that an independent Coal Research Commission

be established. The subcommittee based its findings on these principal factors:

First. Coal reserves of the United States are the Nation's greatest mineral resource available for immediate development and use.

Second. An economic stimulant is needed to reduce unemployment in coal areas.

Third. There is a compelling need, from the standpoint of the coal industry's economy and the Nation's future fuel requirements, for a coal research program.

I submit, Mr. President, that conditions which precipitated the House subcommittee report in 1957 have increased in intensity during the intervening period. Unemployment is up in coal communities. Energy demand for the country is increasing. Continued improvement in mining methods, advanced techniques in transportation, and new uses for coal need to be developed to provide more work for our miners and a greater degree of fuels security for the United States in peace and war.

Over the course of the early months of this session of Congress, the senior Senator from West Virginia and I have sought to acquaint the Senate with the factors behind the economic difficulties of an industry representing America's principal source of fuel supply. In our State, where about one-third of the Nation's total coal output emanates, the grim shadow of joblessness continues to darken many communities. A closed mine deprives not only the miners and their families of a means of livelihood. It brings furloughs to railroaders whose jobs depend upon the movement of coal. It affects employees of industries associated with coal and wholesale and retail businesses serving mining and railroading communities. It slashes tax revenue from city hall to State capitol to the U.S. Treasury.

While I do not foresee the creation of a coal research commission as the magic formula through which the economic problems confronting our stricken communities will be automatically resolved, there is no question but that a broad, long-range research and development program will gradually lessen the difficulties which have prevailed throughout most coal regions for an agonizingly long period of years.

A coal research program is not enough in itself. I would be less than frank if I were to convey the impression that this plan for an independent research commission is the complete answer to the problems which beset us. Yet, should the Congress in its wisdom accept the provisions of H.R. 6596 or S. 49, those of our citizens dependent upon a going coal industry will find new hope on a horizon which thus far has been barren and bleak.

Congressional recognition of the need for improving conditions in coal States through a vigorous research effort will be welcomed enthusiastically in all coal regions. It will give official substantiation to analyses by fuel experts who place an increasing reliance upon coal in the years ahead. Of greater signifi-

cance is the likelihood that, as more and more of coal's potential is developed through science and research, new industries will move into areas of abundant coal reserves.

In 1952 the President's Materials Policy Commission, in its report on "Resource for Freedom," served notification that such electroprocess industries as aluminum would break loose from their long dependence on hydroelectric power to move closer to sources of coal. Within a few short years following publication of that report, aluminum's march into the coalfields was underway. We now have a happy family of the coal, electric utility, and aluminum industries providing substantial employment along the Ohio River in West Virginia. The Commission's report also visualized progressively greater use of coal by the chemical industry and, eventually, in a synthesis fuels industry.

We must never lose sight of the fact that the coal reserves of this Nation make up more than 90 percent of our total energy resources. The diligent efforts of our great petroleum and natural gas industries will continue to produce a substantial flow of energy to meet the requirements of rising population and increased industrial activity. There will come a time, however, when these reserves will be exhausted. When this day arrives, coal must be ready as a substitute fuel. The feasibility of producing liquid and gaseous fuels by synthesis has long been established. The German air force was powered by synthetic gasoline almost exclusively during the closing months of World War II. Experimental plants in the United States have produced gasoline from coal, but only through science and research will maximum economy of operation and utilization be achieved.

From the consumer's point of view, there are numerous other factors involved in a coal research program. Coal is already the basis of countless chemical products. By capturing the gases and tars in metallurgical ovens, the coke and chemical industries have been able to develop explosives, plastics, fertilizers, nylons, and a thousand and one other commodities. Research has been responsible for delivering electric power over greater and greater distances. Vast networks of long distance lines enable our utilities to deliver electricity where it is needed when it is needed with a high degree of efficiency. Officials of the Anaconda Wire and Cable Co. recently announced the opening of a new high-voltage research laboratory at Hastings-on-Hudson, N.Y. The decision to construct the new facilities was prompted because conventional designs for underground high voltage cables have practically reached their maximum capabilities, indicating the need for improved cable-system design.

The New York Times of April 26 described a broiler-fed pump turbine and other developments which are helping to cut down electric bills. Other equipment manufacturers, as well as utilities themselves, are conducting intensive studies of this nature to keep electric



depletion allowance, under the Senator's proposal; while, on the other hand, an independent producer who might be worth \$1 million would, under the Senator's proposal, be permitted the benefit of that allowance, even though he was in better financial shape than Grandma Jones, who had inherited 6 shares of stock. Why should not the old lady, who happened to own 6 shares of stock in a substantial company, receive the same tax treatment as the independent who might be worth \$1 million?

Mr. PROXMIRE. It is interesting, Mr. President, that whenever Standard Oil Company or other corporate enterprises which have such enormous advantages are mentioned, it is always Grandma Jones who is said to have a little stock and who would be seriously affected. The fact is that all stockholders, whether Grandma Jones or a wealthy stockholder, have the same protection the big corporations have. Grandma Jones is in the same position, as a stockholder, as all the other stockholders of corporations, which can spread their losses over their gains. They can diversify. The problems of the costs of explorations and bringing in dry holes would not adversely affect Grandma Jones. The fact is that the big oil companies pay far less in taxes than do other comparable corporations, that their risks are less than those of comparable corporations, and that the case for giving them special tax treatment cannot be rationally justified on the basis that there are stockholders of the company whose incomes are modest.

On that basis, justification could be made for a complete exemption, I presume, for any corporation, because it could be found that a widow or an orphan depended on that company for income. Therefore, it could be said that when that corporation was forced to pay the same taxes as every other company, we were hurting the poor orphan or widow.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. The Senator knows I have been fairly consistent in my efforts to favor Grandma Jones. My efforts to provide welfare increase and adequate social security payments should show that my heart is in it.

Mr. PROXMIRE. Grandma Jones has no better friend than the distinguished junior Senator from Louisiana.

Mr. LONG. While the Senator from Wisconsin attempts to be eminently fair to the independent producer, one point that occurs to me is that in a number of cases the practical application of his proposal would mean stockholders—in many instances small stockholders—would be denied, because of the type of corporation in which they have stock, the same treatment, which the Senator describes as favored tax treatment, which the Senator would accord to some very substantial producers in the oil and gas industry.

I point that fact out to the Senator to show him the complexities of the problems to which his proposal is directed. If all the stockholders of Standard Oil

Co., for example, were millionaires, I think the Senator's proposal would not present this problem. A problem is presented when one recognizes the fact that the vast majority of stockholders are not wealthy. Perhaps it may be that the ownership of most of the stock is in the hands of the wealthy, but I know that the vast majority of stockholders are not wealthy, and they could, with good grace, claim tax treatment as favorable as that which the Senator would seek to accord to the independent producer of oil and gas.

Mr. PROXMIRE. What we are trying to do it to put all stockholders on the same basis, whether they have stock in oil corporations, steel corporations, or automobile corporations. We are attempting to eliminate discrimination. If some tax benefit should accrue to the independent entrepreneur who owns an oil company, it seems to me there is some justification for it—and the Senator from Louisiana is much more familiar with the field than I am—because the entrepreneur takes risks, he goes out and does the work, and he has the imagination and initiative, and perhaps he should have that extraordinary reward.

It is important, therefore, that we not only stop further erosion of the tax structure, but that we begin to undo some of the damage already done. It would be plainly impossible to cure all the defects at once. But a start can, and should, be made.

#### SPECIAL PROVISIONS FOR OIL AND GAS

The most conspicuous of these abuses is the 27½ percent depletion allowance on income from oil and gas. Under the present law, a host of costs and special allowances are deductible from gross income even before the depletion allowance applies. These are:

First. Operating costs.

Of course, this is a deduction every industry has, but perhaps it is the only deduction every industry has which is not a special deduction for the oil industry.

This is aside and apart from the depletion allowance. There is this terrific advantage of the fast writeoff, which many experts say is more advantageous than even the oil depletion allowance.

Second. Intangible drilling and development costs. These can be written off in 1 year and not spread over a period of years, as is the case in other industries. It has been estimated that between 75 and 90 percent of all costs can be written off in 1 year in this manner. We have, therefore, accorded to this industry virtually the ultimate in accelerated depreciation and fast tax writeoffs.

Third. Unsuccessful or dry holes, of course, can be written off.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. When the Senator talks about intangible drilling costs, he is referring to the taking depreciation at one time. A man drills an oil or gas well. Assuming the well is successful, the cost can be depreciated over a long period of time, it is true; but it is also possible for a person, if he desires it, to elect to take

his depreciation at one time, particularly his intangible cost. That cost might include the labor he hired to drill the well, as an example. That labor is gone. The pipe in the ground is not intangible. That is an asset which will remain there, but the labor to help turn the rotary rig is used up at the time the well is drilled.

Unless the person has a vast amount of money to keep tied up in capital over a long period of time, he has to have the advantage of a fast tax writeoff in order to drill more wells. But once he takes the depreciation, it is gone; he cannot take it again.

Mr. PROXMIRE. The enormous advantage to which I have referred is an advantage with which I am familiar to some extent, as a small businessman. We spent a lot of money in getting our printing company going, and our development costs were substantial. It would have been wonderful if we could have written the costs off at once. Businesses all over America have that problem. It would be a great advantage if such little businesses could have a fast writeoff of such costs, but they cannot. They are required by the Internal Revenue laws to spread those costs over a period of years. As the Senator from Louisiana has pointed out, that is a disadvantage, because they have to have their money tied up. A fast writeoff is another special benefit that the oil industry has. We are not trying to eliminate that advantage; but we are trying to put it in its proper perspective.

Mr. LONG. I hope the Senator realizes that the problems of an oil or gas producer differ, and very widely, from those in other manufacturing industries. The oil and gas industry is very speculative and risky.

I wonder if the Senator has looked at the study made by the Chase National Bank, which indicates that for domestic producers in this country, even when we consider the 27½ percent depletion allowance and the intangible drilling cost, the profits have been just about the same as those for the average manufacturing industry in America. Does the Senator know that?

Mr. PROXMIRE. I was aware of that. The fact is, of course, that in all industries one tends to get an equalizer, because if there is an industry which has great advantages, as the oil industry has, what happens is that the stock is bid up, more people enter the industry, and competition becomes greater. Therefore, the privilege becomes capitalized into the industry itself. Then when one attempts to eliminate this privilege one encounters the problem of having a capitalized advantage which it is necessary to overcome. I recognize that, certainly.

Mr. LONG. Perhaps the Senator is touching upon the economic theory known as the free-flow-of-capital theory. That is one of the hidden secrets of the capitalistic system which makes it work. In other words, if a business is very profitable, there is a tendency for large numbers of people to go into it. The competitive effect is that it



tends more or less to equalize conditions as between industries. The fact that the oil industry today is not producing the full requirements of the Nation for fuel, on the one hand, and the fact that even with these incentives it does not appear to be any more profitable than the average of the manufacturing industries would certainly at least tend to support the argument that this industry, with the tax advantages it is permitted, is really about on the same basis as the average manufacturing industry. I am curious to know the Senator's reaction to that point.

Mr. PROXMIRE. My reaction is that I am astounded and astonished. It is my understanding that in Texas they are now up to 12 days of production a month, and last year they were down to 7 days of production a month. We have a tremendous amount of oil. We do not need more. The President recently imposed quotas, over the strenuous objections of some of us. We have tried to do what we could to have those quotas rescinded.

We are not in a situation where we desperately need more oil. The situation is almost the same as with the farm problem. We have an embarrassing abundance of oil.

Mr. LONG. Perhaps the Senator realizes there is a problem with respect to limiting the amount of oil which is produced in Texas, and the same thing is true in Louisiana. This relates to the fact that there is only so much storage capacity above ground. If one takes more oil out of the ground than there are tanks in which to store it, all that can be done is to pour the oil on the ground and waste it. It would be better to keep the oil in the ground than to pour it on the ground and watch it evaporate after it has been extracted from the earth. Underneath the ground the oil is in a subterranean reservoir from which it can be extracted. Once it is taken from the ground, if there is no storage in which to put it, the oil is simply lost. That being the case, it makes no sense to waste our resources. I know the Senator is a conservationist and would not want to waste the oil.

Mr. PROXMIRE. I agree with the Senator from Louisiana completely. That is why it seems to me to be ridiculous to provide tax incentives to provide for the exploration and the development of this precious natural resource at a more rapid rate than necessary.

Mr. LONG. Assuming that we were cut off from the Venezuelan oil in the event of war, and assuming we were cut off from the Saudi Arabian oil, does the Senator know that the productive capacity of all the wells in America is just about that which is needed to provide our own requirements for fuel?

Mr. PROXMIRE. It think this is the most eloquent argument there is, perhaps, for us not to provide incentives for the more rapid exploration and development of the oil we have. We have only so much in the reserves in this country, and if we provide incentives for developing that potential more rapidly, making them proved reserves, with incentives for keeping out the importation of foreign

oil, we will use up this precious resource, and in the event of a national catastrophe and emergency we will be in a far less powerful position.

Mr. LONG. Is the Senator familiar with the fact that in this Nation we have enough oil, which can be discovered, to provide our oil requirements for the next 100 years, but that one cannot produce the oil unless we have the wells? The President's committee made a study of the matter. The reason the committee proposed limiting oil imports was that the number of new wells was falling off, as the old wells were being depleted, to such an extent that failure to maintain the domestic industry could mean over a period of time that we would not be able to provide the domestic requirements in the event of a national emergency. I thought the Senator was familiar with that.

Mr. PROXMIRE. Mr. President, I was familiar with that, and was also familiar with the fact that we have great potential oil development. I am not sure it is a 100-year supply, for that is not exactly the figure I had heard. The length of supply varies somewhat, depending upon the usage of oil as fuel, and other sources of consumption. It might well be that the supply would last 100 years, but it might last for longer than that or for less than that, because of other factors.

One point is fundamental and very simple. If we are going to preserve our natural resources, we cannot do it by providing tax laws to encourage immediate or more rapid exploitation of the resources we have.

Mr. LONG. Does the Senator ever think about the matter from another point of view? Suppose we have to fight for survival in a national emergency. Then the steel we have could not be put into the oil wells, because the steel would be needed for tanks, for ships, for planes, for guns, and for all the various requirements of a war economy. Under those conditions we would need the oil production, but we could not allot steel for it. We need to have the wells at the time the fighting starts. Under the proper conditions, rather than being months or years away from being able to produce the essential fuel requirements, we would be in a position to produce them when the emergency arose.

The administration wisely recognized that point, and that is the basis of the concept upon which the administration is seeking to maintain the fuel industry.

I hope the Senator also knows that if we consider shale, which is a practical source for fuel production even now, and which exists in tremendous quantities in the Western States such as Colorado and Wyoming, there is enough potential fuel in the known shale reserves to last this Nation 1,000 years. There is that much oil which can be extracted from the shale. So far as a danger of running out of oil is concerned, that danger does not exist. The danger is in not being able to produce the oil when it is needed.

I hope the Senator will give some thought to that phase of the question, and I think that phase is where so many

people fail to understand the problem. The ability to produce the oil when it is needed is the essential point of the whole problem. It is not a question of the ability to produce the oil ultimately.

Mr. PROXMIRE. Mr. President, to continue my remarks, the next advantage is:

Fourth. The 14-point reduction in the tax itself—or a reduction from 52 percent to 38 percent on taxable income—for income derived from operations abroad in the Western Hemisphere; Venezuela, Canada, Mexico, and so forth.

Fifth. Royalty payments abroad, particularly in the Near East may be disguised as income tax payments for which the foreign tax credit is then available so that a company then escapes liability for U.S. tax by being allowed to take a tax credit for payment which a domestic taxpayer would be permitted only to deduct from gross income rather than to take as a credit against tax.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. (Mr. Moss in the chair). Does the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Texas.

#### ORDER OF BUSINESS—UNANIMOUS CONSENT AGREEMENT TO VOTE ON WHEAT BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin may yield to me for the purpose of proposing an order for the Senate, with the understanding that the Senator from Wisconsin will not lose his right to the floor by so doing.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and I shall ask that the order be rescinded very shortly.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am informed that my colleagues, the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Minnesota [Mr. MCCARTHY] have brief statements which they desire to make, which are unrelated to the wheat bill. In order to accommodate certain Senators who expect to be absent from the Senate late tomorrow evening, I have attempted to arrive at a unanimous-consent agreement with the minority leader concerning the wheat bill. Therefore, at a later time, I shall again ask the indulgence of my friend, the Senator from Wisconsin, to propose a unanimous-con-



sent agreement which, in effect, would be as follows: that at the conclusion of the statements of the Senator from Wisconsin, the Senator from Pennsylvania and the Senator from Minnesota, 30 minutes, to be equally divided, be allotted on all amendments to the wheat bill, an hour to Senators in favor of the bill, and an hour to Senators opposed to the bill.

If such an agreement were entered into, I should expect the Senate to remain in session for a reasonable time this evening—perhaps until 7 or 7:30 p.m., or even as late as a quarter to 8, so as to have as much discussion as possible. We would not expect final action on the bill.

I would then ask the Senate to assemble tomorrow at an early hour—say 10 o'clock—in the hope that amendments could be offered, a motion to recommit could be made, and a vote on final passage could be obtained at an hour which would permit Senators to keep speaking engagements tomorrow evening.

I know that all Senators, whether they come from wheat-producing States or not, realize the necessity of early action on the bill. I understand there is an expiration date. Most members of the committee feel that the Senate should take very prompt action, because less than 2 weeks are left.

Certain Senators are on their way to the Chamber. I do not wish to ask the Senator from Wisconsin [Mr. PROXMIER] to indulge me further at this time. Later, if he will permit me to do so, when certain other Senators arrive in the Chamber, I shall submit a proposed unanimous-consent agreement.

I thank the Senator from Wisconsin very much for his courtesy and consideration.

Mr. DIRKSEN. Mr. President, will the Senator from Wisconsin yield for a question of the majority leader?

Mr. PROXMIER. I yield.

Mr. DIRKSEN. In order that I may have a clear understanding of the proposal of the majority leader, would it allow an hour on each amendment, to be equally divided?

Mr. JOHNSON of Texas. No. It would allow 30 minutes on each amendment, to be equally divided, and 2 hours on the bill, to be equally divided.

Mr. DIRKSEN. There was no suggestion as to whether or not there would be any votes tonight. My understanding was that there would be no voting tonight.

Mr. JOHNSON of Texas. I shall be glad to agree to that.

I wish to have the Senate complete action on the bill, and I wish every Senator to have an opportunity to say what he wishes to say. This is an important piece of legislation. I have the responsibility of guiding through the Senate proposed legislation reported by the committees. I myself would not object to a vote as late as 7:30 p.m., but if the Senator from Illinois feels that he does not want a vote at 7:30, I am prepared to yield to his desires.

Does the Senator wish to ask me any further questions?

Mr. DIRKSEN. No; but the Senator from Delaware [Mr. WILLIAMS] has just come into the Chamber.

Mr. JOHNSON of Texas. I shall be glad to yield to him, or to resume later, when the Senator from Indiana [Mr. CAPEHART] is present in the Chamber.

Mr. WILLIAMS of Delaware. Mr. President, what is the proposed unanimous-consent agreement?

Mr. JOHNSON of Texas. Mr. President, when the Senator from Indiana [Mr. CAPEHART] and other Senators who are interested reach the Chamber, I expect to propose a unanimous-consent agreement that, following brief statements by certain Senators, there be an agreement as to time, which would allocate 30 minutes on amendments, to be equally divided between the proponent and the opponents, and 2 hours on the bill, to be equally divided. That arrangement seemed to be satisfactory to the minority leader. He came to me and stated that certain Senators on his side of the aisle from wheat-producing States find it necessary to be away from the city tomorrow afternoon, but he was willing to have the Senate convene at an early hour tomorrow. I have spoken with the Senator from Minnesota [Mr. MCCARTHY] who is the author of one amendment, and he seems to think that would be agreeable to him. If no Senator objects, I should like to have that order entered tonight.

Mr. CAPEHART. Mr. President, I have just entered the Chamber. I understand that the majority leader was discussing a proposed unanimous-consent agreement.

Mr. JOHNSON of Texas. Let me explain the circumstances to my friend.

The Senator from Illinois [Mr. DIRKSEN] states that certain Senators on his side of the aisle from wheat-producing States, who are vitally interested in the bill, need to leave the city tomorrow afternoon. He would like to attempt to arrive at an arrangement under which there will be no votes on Friday. I do not believe that we can arrange not to have a vote on Friday, Monday, or any other day—certainly not on any 2 or 3 days.

Certain proponents of amendments will be unable to be present on Friday. Friday and Monday are both bad days, as Senators know. On those days, there is a high absenteeism.

I suggest that we consult the Senator from Minnesota [Mr. MCCARTHY] who has two amendments, and see if he would be agreeable to having the Senate convene early tomorrow, with a time limitation of 30 minutes on amendments and 2 hours on the bill, to be equally divided. The Senator from Illinois could yield 15 minutes to any proponent of an amendment, and I could do the same on my side. That arrangement is satisfactory to the Senator from Minnesota [Mr. MCCARTHY]. I believe it would be satisfactory to other Senators who are interested. If it is satisfactory to the Senator from Delaware and the Senator from Indiana, I shall propose such an agreement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. AIKEN. The Senator from Kansas [Mr. CARLSON] had a speech.

Mr. JOHNSON of Texas. The Senator from Kansas spoke with me earlier in the day, and expressed the hope that we would not attempt to pass the bill tonight. He would like to have it go over until tomorrow. I assured him that that would be satisfactory, and that I would be glad to consult him and ascertain how much time he desired.

Mr. AIKEN. If we have a limitation of an hour to a side on the bill, and the Senator from Kansas wished to speak for 45 minutes, as I have heard he desires to do, that would leave only 15 minutes on his side.

Mr. JOHNSON of Texas. He would have 15 minutes for an amendment. If that were defeated, he could offer another amendment, and then he could have time yielded to him on the bill.

Mr. AIKEN. I am sure we will use up all the time that is allowed on the bill.

Mr. JOHNSON of Texas. I am fearful of that. That is why I want to provide for a minimum of time, so that Senators who have engagements on Friday evening may keep them. I have been reading about a do-nothing Congress, and I want to do something to accommodate as many Senators as possible.

Mr. AIKEN. I have not heard a word about a do-nothing Congress in the past 11 years.

Mr. JOHNSON of Texas. The Senator should read some of the slick magazines.

Mr. AIKEN. Members of a do-nothing Congress do not have the time to read magazines.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CURTIS. May I inquire when the limitation of time would begin?

Mr. JOHNSON of Texas. At the conclusion of the statements by the Senator from Wisconsin [Mr. PROXMIER], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Pennsylvania [Mr. CLARK].

Mr. CURTIS. In other words, if a Senator desired to speak on the wheat bill this evening, it would be under controlled time.

Mr. JOHNSON of Texas. Yes; if the Senator got to it tonight. I doubt that he could get to it this evening.

Mr. CURTIS. I have been waiting since 12 o'clock to speak on the bill.

Mr. JOHNSON of Texas. I appreciate the Senator's situation. However, I have nothing to do with the rules. A Senator spoke on the China policy. Any Senator, merely by saying "Mr. President," may be recognized, and he has the floor from then on until he finishes with whatever he wishes to say. I am a little hesitant about telling any Senator just when he should speak. I understand the Senator's situation. I do not anticipate that we will have any votes on the wheat bill this evening. I should like to work out an arrangement which will suit the Senator from Illinois, the minority leader, who said two or three Senators on his



side had to leave late tomorrow. Therefore, I thought that we could meet at 10 o'clock tomorrow. We could accommodate several Senators. Of course it is entirely immaterial to me. I have no engagement, and I am able to remain here.

Mr. CURTIS. I was going to suggest that perhaps nothing could be gained by operating under a limitation of time this evening. If some of us were able to speak on the wheat bill this evening without limitation, we might simplify matters. Perhaps that could be done.

Mr. JOHNSON of Texas. I believe that is a reasonable suggestion. The Senator is always reasonable.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. I have a substitute for the bill.

Mr. JOHNSON of Texas. Does the Senator desire—

Mr. CAPEHART. I should like to make a very brief statement. I have a substitute for the wheat bill. I doubt that any bill which could come before Congress could be quite so important to each individual Senator as the substitute I shall offer. The substitute I shall offer to the wheat bill would repeal all farm price supports beginning with the acreage year 1960, which means January 1. It would likewise freeze the so-called Government surplus of from \$9 or \$10 billion worth on the day the bill would take effect, if it should be passed. It would then permit an orderly disposal of the surplus.

Mr. JOHNSON of Texas. I am familiar with the amendment. I do not want to impose on the other Senators who are waiting to make some remarks by having the Senator explain his amendment at this time. I wish to be courteous to all Senators. If the Senator objects—

Mr. CAPEHART. I object to any unanimous-consent agreement unless I can state what I want to do.

Mr. JOHNSON of Texas. I will not ask my good friend the Senator from Wisconsin to wait until the Senator has made an explanation of his amendment. I have no objection to increasing the time and to follow the suggestion of the Senator from Nebraska not to have the unanimous-consent agreement go into operation this evening, but to have it start tomorrow. I wish to accommodate the minority leader, who told me that two or three Senators on his side had to get away tomorrow. I wanted to make sure that we would have an early vote tomorrow.

Mr. CAPEHART. I was merely endeavoring to impress upon Senators that my substitute would repeal, beginning January 1, 1960, all price supports, and that they ought to have some time to think about it. They ought to have some time to debate it.

Mr. JOHNSON of Texas. How much time does the Senator suggest?

Mr. CAPEHART. I would agree to 3 hours on my substitute, with an hour and a half to each side, and 2 hours of debate on the bill.

Mr. JOHNSON of Texas. Does the Senator believe that an hour and a half will be needed on his side?

Mr. CAPEHART. I do not know, but let me say—

Mr. JOHNSON of Texas. Would the Senator agree to a unanimous-consent agreement if we provided 30 minutes to each side on an amendment, and 2 hours on the Capehart amendment, with the 2 hours to be equally divided, and 2 hours for debate on the bill? A part of the time on the bill could be yielded to the Senator if he needed more time.

Mr. CAPEHART. I would think that all 98 Senators would want to be heard on the substitute, which would repeal all price supports. I am perfectly willing to agree to a unanimous-consent agreement, but I am not certain that all Senators would agree, and 80 percent of the Senators are not present this evening. I would be willing to agree to a unanimous-consent agreement if it provided for 3 hours of debate on my substitute and 2 hours on the bill, and whatever other time is required on other amendments.

Mr. JOHNSON of Texas. Very well. I ask unanimous consent that when the three statements previously referred to have been concluded, that we have a time limitation of 30 minutes on each amendment, to be equally divided between the proponent and the opponent, with the exception of the Capehart substitute amendment, on which 3 hours is to be allowed, to be equally divided; that we have 2 hours of debate on the bill, to be controlled by the majority leader and minority leader; that the time limitation shall begin at the conclusion of the morning hour tomorrow; and that the Senate meet tomorrow morning at 10 o'clock.

I am told that the Senator from Illinois wants 3 hours of debate on the bill. I modify my request accordingly.

Mr. WILLIAMS of Delaware. Do I understand correctly that the agreement provides time on each and every amendment?

Mr. JOHNSON of Texas. Yes; I have made it very clear, and I told the attachés of the minority to inform the Senator from Delaware that the Williams formula was being followed, so that he need not come to the Chamber. However, they told me that he was already on his way.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. I expect the Senator from South Dakota [Mr. MUNDT] to walk in at any moment.

Mr. JOHNSON of Texas. I thought he was the one we were trying to accommodate.

Mr. DIRKSEN. I wonder if we could defer the agreement for a few minutes.

Mr. JOHNSON of Texas. If it is not satisfactory to the Senator from South Dakota, I will ask that it be reconsidered.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? There being no objection, the order is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

#### UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, May 22, 1959, at the conclusion of routine morning business, during the further consideration of the bill S. 1968, to strengthen the wheat marketing quota and price support program, debate on any amendment (except an amendment by Mr. CAPEHART in the nature of a substitute for the bill, designated as "5-20-59-B," upon which there shall be a limit of 3 hours' debate), motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. It is clear that we will have no votes on the wheat bill this evening. I wish to thank my friend from Wisconsin, my friend from Pennsylvania, and my friend from Minnesota for indulging me. I shall ask for a reconsideration of the unanimous-consent agreement if it is not satisfactory to the Senator from South Dakota [Mr. MUNDT].

Mr. President—

The PRESIDING OFFICER. The Senator from Texas.

#### ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TAX REFORM

##### DEPLETION ALLOWANCE

Mr. PROXMIER. In addition to all these provisions which would seem to be quite generous, a further allowance is permitted called the percentage depletion allowance. In the case of gas and oil, this amounts to an additional 27½ percent of gross income up to one-half of net income. This allowance is, moreover, permitted in perpetuity as long as there is any flow of oil or gas from the well. It is not limited to recapturing the cost of the well in question, most of which cost—as we have seen—is recovered for tax purposes in the year the outlay is made through the intangible drilling and development cost deduction.

As a matter of fact, competent geologists and economists have estimated



The PRESIDING OFFICER. The bills will be received and appropriately referred, and, without objection, the bills will lie on the table for 1 week.

The bills introduced by Mr. CLARK (for himself, Mr. DOUGLAS, Mr. PROXMIER, Mr. MCCARTHY, and Mr. MUSKIE), were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 2039. A bill to amend the Internal Revenue Code of 1954 to provide for additional information on certain returns; and

S. 2040. A bill to amend the Internal Revenue Code of 1954 to prohibit the deduction of certain expenditures as trade or business expenses.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. I wish to commend the Senator from Pennsylvania for his announced determination to seek additional funds for the Internal Revenue Service, so that there may be a reasonable number of agents provided and so that a reasonable check may be made with regard to some of the loopholes which have been discovered and with regard to the failure of certain persons to file adequate tax returns.

Mr. CLARK. I thank my friend for his support, and I look forward to working with him on the floor next week in an effort to have that done.

Mr. President, it appears that from \$5 to \$10 billion are being spent annually on expense accounts, which are claimed as business expense deductions for income tax purposes, at an estimated revenue loss of from \$1 to \$2 billion. It is my view that a large portion of these expenditures should not be allowed as deductions, and I estimate that the enactment of these bills would raise at least an additional \$800 million in taxes a year.

Most of these expenditures are in the following categories: Entertainment at nightclubs, theaters, sporting events, maintenance or operation of yachts or seasonal or vacation lodges or houses, gifts, dues or initiation fees in social organizations, and traveling expenses to conventions outside the United States.

A well-advised individual quoted in an article by V. Henry Rothschild and Rudolph Sobernheim in the July 1958 issue of the Yale Law Journal stated, with respect to the expense account aristocracy:

In cities like New York, Washington, and Chicago it is safe to say that at any given moment well over half the people in the best hotels, restaurants, and nightclubs are charging the bill as an expense of their company.

Uncle Sam pays 52 percent of the cost of the theater tickets or nightclub performances, all on the theory that this is a justifiable business expense.

I make the statement that permitting this type of tax deduction lowers public moral standards and results in an utterly unjustifiable reduction of the revenue which the Federal Government is entitled to receive.

Mr. President, the two bills I am introducing at this time have a common objective: to raise a substantial amount

of public revenue by ending tax abuses permitted by that popular business device—the expense account.

As I stated before, expense account spending has been estimated by a Revenue Service spokesman to total between 5 and 10 billion dollars a year, and the annual total has been increasing sharply in recent years. Deductions claimed for these sums have been computed to result in an annual revenue loss of from one to two billion dollars.

The Internal Revenue Code permits expense account spending to be deducted by corporations and business executives as "ordinary and necessary expenses in carrying on a trade or business," if certain broad administrative standards are met.

This general rule permitting deductions of "ordinary and necessary" business expenses has probably been the subject of more tugging and hauling by taxpayers and tax lawyers on one side and Internal Revenue representatives and courts on the other than any rule of comparable length ever devised by Congress. Under the circumstances it is scarcely surprising to find that the words "ordinary and necessary" have been tortured to cover some rather "extraordinary and unnecessary" deductions.

Thus in one recent case the \$17,000 cost of a 6-month big game safari to Africa by the head of a dairy company and his wife was held to be an "ordinary and necessary" business expense of the dairy because of the promotional value to the business of the game and film brought back. The facts that this fortunate couple were "both experienced hunters" and that their trip included stopovers in London, Paris, and Rome on the way to Africa were not considered to contradict the tax ruling in any way.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. YARBOROUGH. Is the Senator from Pennsylvania of the opinion that shooting lions and elephants in Africa increased the yield of milk of the cows of the dairy owner who charged the safari trip to his expense account?

Mr. CLARK. It is for the very reason that I have hesitated to accept that theory that I have introduced the proposed legislation.

Mr. President, the situation is so ridiculous that it almost speaks for itself. My good friend from Texas, who comes from a cattle-producing and dairy State, can judge far better than I what the effect of the safari on the milk yield of the cows in question would be. I think he is correct in assuming that it would be very little, indeed.

In another case a prominent movie actress was allowed to deduct as ordinary and necessary business expenses, the costs of gifts of a \$775 oil painting to her agent, a \$920 silver tea set and coffeepot to her dialog director, and an \$810 gold necklace and gold clips to her dress designer. In each instance, the actress certified and the tax authorities found that the gift was made solely for business, not personal reasons, and that its value was commensurate with the services rendered. One may be permitted a

doubt as to whether similar gifts by a surgeon to his operating room staff or a school principal to his teachers would have been held deductible.

I wonder what the national bank examiners would have done if the president of a bank had made similar gifts to customers of the bank and attempted to charge them off as business expenses. Mr. President, permitting the cost of gifts between businessmen to be charged as tax deductions is a racket, and the Congress should put an end to it.

Other rulings have allowed as deductible business expenses part or all of the costs of food and liquor at nightclubs, tickets for hit musicals, expenses of attending the Kentucky Derby, the Mardi Gras, football games, country club dues and initiation fees, the costs of maintaining seasonal residences, yachts, and hunting lodges.

In almost all of these instances the auditing agent is faced with a well-nigh impossible task of determining whether the entertainment expense was undertaken primarily for reasons of personal pleasure or for reasons of duty and business and then of allocating costs accordingly.

I contend, Mr. President, that the Government should cease to subsidize the yacht and lodge owners, the Stock Clubs, and the theatrical and sporting events in America by this indirect means. If the privileged few in business circles who enjoy the luxuries permitted by the expense accounts wish to continue to do so, let them do it at their own expense as in the case of the overwhelming majority of other taxpayers.

Expense account spending would be nondeductible on income tax returns under one bill I am sending to the desk on behalf of the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Wisconsin [Mr. PROXMIER] and the junior Senator from Minnesota [Mr. MCCARTHY], if the money has been used for entertainment at night clubs, theaters and sporting events. Similar tax prohibitions would cover spending for maintenance of yachts and hunting lodges, gifts between businessmen, country club dues and travel to conventions outside the United States.

It will be said that tighter administration of existing tax laws could rule out most claims for deductions in these cases, and that no change in the law is necessary. This may be true in theory, but it belies the facts.

Once an extension of deduction privileges for expense account spending is conceded it tends to become considered as a fixed and definite right by all taxpayers affected. Administrative attempts to tighten the rules and exclude such expenditures from privileged tax status raise immediate and overpowering opposition.

The tax amendment proposed would prevent a corporation or business executive from claiming as deductions the sums spent for items on which the return to the taxpayer in terms of personal services is apt to be high and the business purpose subordinate or indistinguishable. To force auditing agents to pass on the reasonableness of claims when the personal and business purpose



of the expenditures are almost sure to be blurred is totally unrealistic.

I do not pretend that the list of items cited in this bill will eliminate all tax abuses in the expense account field. It would eliminate some of the worst. Perhaps hearings will indicate that the list should be lengthened or revised. I hope very much that such hearings will be scheduled on this and other bills dealing with tax loopholes bills to be introduced.

The second bill which I am introducing at this time on behalf of Senators DOUGLAS, PROXMIRE, McCARTHY and myself is designed to enable the Internal Revenue Service to enforce existing rules regarding all expense account deductions more thoroughly.

Corporations and other employers are today required to file information returns in the case of compensation payments of more than \$600 per person. The amounts included on those returns, however, are only those which the employer regards as compensation. The purpose of this bill is to permit the Internal Revenue Service to acquire information as to employer payments whether or not the employer regarded them as compensation. In this way the payments would be identified, and the Service could independently consider payments taxable to the employee or nontaxable reimbursements of expenses.

Two exemptions are contained in the bill. The first would eliminate reporting of payments totaling less than \$200 to any person per year, and the second exempts disclosure of payments made equally available to all employees or class of employees, unless the group consists primarily of officers, shareholders, or highly compensated employees.

The additional control that this proposal would give over expense account deductions would act as a brake on loose use of this item on tax returns.

Anyone who doubts the effectiveness of such a move should review the history of a recent proposal in this field. In 1957 the Treasury Department put out a tax form containing a new line 6-A to require total reimbursed expenses to be reported in the employee's gross income and claimed business expenses to be deducted with appropriate itemization. Strong protests from many quarters led to the abandonment of this requirement in short order. "You have no idea of the pressure that was brought on the Service from people who get expense account money" said one official of the Internal Revenue Service.

The proposal made in this bill was favored by the Treasury in the past—H.R. 7893, 82d Congress, 2d session, section 104—and the exemptions which are included make the proposed requirement entirely reasonable.

Mr. President, I enjoy luxuries as much as does the next man, but I see no reason why such services should be subsidized by the U.S. Treasury. It is no longer open to question that expense accounts, which are enjoyed by the privileged few, are widely and flagrantly abused. These bills will eliminate some of the worst abuses and provide the administrative means to eliminate others.

Mr. President, I yield the floor.

### IRRESPONSIBLE STATEMENT BY JAMES HOFFA

During the delivery of Mr. CLARK's speech,

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware without losing my right to the floor and that his remarks may be printed in the RECORD after the conclusion of my remarks, since I should like to have my remarks connected with the remarks of the Senator from Minnesota and of the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which was published in today's issue of the Wall Street Journal entitled, "The Public Be Damned."

This editorial calls attention to the recent irresponsible statement by James Hoffa, when he threatened Congress and the American people with a nationwide strike as a protest against any law he did not like.

This statement by Mr. Hoffa demonstrates the great need for Congress to pass adequate legislation curbing the power of such arrogant and irresponsible individuals.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE PUBLIC BE DAMNED

It was a long time ago that one of our leading tycoons, questioned about the public interest in a private decision he had made, was quoted as saying, "The public be damned."

Nonetheless, the phrase has passed into history as a symbol of arrogance and ruthlessness on the part of private power over the public weal. It is usually encountered in schoolbooks under a Nast cartoon portraying the stereotyped "robber baron" of the turn of the century.

Yet the Goulds, the Fisks, the Vanderbilts, the Rockefellers and all the rest had in their day not so much power all combined as one or two men each now holds in their little fingers. And just the other day, one of these men, Jimmy Hoffa, told us how he might use that power, though later he promised not to use it right now.

Mr. Hoffa, the durable boss of the Teamsters Union, envisioned one solitary strike throughout the United States to tie up all the employers of the Nation at one time. And his threat was given a rousing endorsement by William Bradley, president of the International Longshoremen's Union.

Now the cause of all this is the fact that the Congress of the United States is considering legislation to regulate labor unions. In one much discussed bill the regulation is so mild it would hardly affect Mr. Hoffa's power at all; even in another form it would seek only to apply to the conduct of some labor unions the same legal restrictions, such as the antitrust laws, that apply to other types of economic organizations of people, such as shareholders in a business.

But Mr. Hoffa disapproves. So does Mr. Bradley. Disapproving, they are prepared to show employers a thing or two. And the Congress. And the public. For a general strike is a strike against everybody, big em-

ployers, little employers, housewives, and employees everywhere who may not share the Hoffa views but who are put out of work just the same.

Technically speaking, the Messrs. Hoffa and Bradley may not be able to order the steelworkers or the bakery workers not to work. But they can order the longshoremen not to load cargo and the truckdrivers not to carry it, and when the members do as they are told it will not be long before there is no steel in the shops and no bread in the stores.

Now the disturbing part of all this is that under our present laws no one can say "nay" to the Messrs. Hoffa and Bradley. Or to Mr. McDonald if he wants to shut down all the steel mills. Or to Mr. Reuther if he wants to shut down all the auto factories.

And the shocking part of it is that the public has not only let this power grow but seems to be apathetic about its continuance. People can get excited when some labor official, as many have, dips his hand in the union till or has somebody knocked in the head. Very few show concern about the power of unions to knock the country in the head.

Perhaps it's just one of those cases where people ignore a threat until it becomes a real disaster; a "Mein Kampf" always seems too arrogantly fantastic to be true. If so, no one ought to be surprised if one day a Jimmy Hoffa says "the public be damned"—and the public finds that it is.

### WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

Mr. CURTIS. Mr. President, I wish to speak briefly on the pending legislation, Senate bill 1968, a bill dealing with the support price on wheat and the wheat program.

I regret that this bill is before us. It seems to me that we should have a better program for our wheat farmers. I offer no criticism of individual members of the Committee on Agriculture and Forestry, or of individuals in the Department of Agriculture; but it seems to me that the bill falls far short of being of value to the wheat farmers and the consumers of bread, or to the U.S. Treasury.

As I understand, the bill would call for a reduction of the support price on wheat to 65 percent of parity unless the farmer should choose to cut his acreage by 20 percent.

It is debatable how many farmers would choose to cut their acreage by 20 percent. Some would. Perhaps all of them would be compelled to increase their production per acre. The costs to a farmer are so great that he must produce every bushel he can in order to remain in business.

I do not believe that the passage of the bill would reduce the amount of wheat production. It would lessen the income of our wheat farmers. This is particularly true if the farmers, as individuals, find it impossible to apply the 20 percent acreage reduction.

We should bear in mind that the acreage has been reduced and reduced, year after year. We should also bear in mind that the proposed legislation would in no sense reduce the cost of bread or of other food made from wheat. For many



years we have seen the price of wheat go down. Likewise, we have seen the price of bread go up. That situation is true now, and it has been true for some years. If we should lower the price of wheat—and the support price does fix the price of wheat—when we know that such action would not lower the price of bread, who would gain?

The economics of the bill need further scrutiny. The bill in its present form is of very doubtful value. I am unable to state exactly how much wheat the Federal Government owns. It is reported to be in excess of a billion bushels, perhaps a billion and a third. If the support price fixes the market price of wheat, and Congress lowers the support price of wheat, we will also lower the value of the wheat owned by the Government by several hundred million dollars. Again I say that the economics of the bill need some attention. I cannot see how it will benefit the farmers, the consumers, or the Federal Treasury.

Mr. President, I would have no right to criticize the proposed legislation if I did not suggest something else. The organized wheat growers of the country and many individual wheatgrowers favor what is called the domestic parity plan. It is before the Senate. It has been offered by the distinguished Senator from Kansas [Mr. CARLSON]. Other Senators have joined as cosponsors. Many persons believe it would work, and a sizable group of wheat producers want it enacted. It will lessen the cost to the Federal Treasury. It will increase the income of wheat farmers. It is based on the principle that that part of our wheat production which is consumed in our country should have a fair American price, and that if production goes over that, a lower price should prevail in order to export the wheat and use it for other purposes.

That is my first suggestion.

My second suggestion is that the Government ought to be about the business of providing greater uses for the products of farms. About 3 years ago I sponsored legislation which created a presidential commission to recommend industrial uses of our farm surpluses. They made an excellent report. The Senate last year passed a bill to implement that report. The Committee on Agriculture and Forestry has again reported such a bill. It has not yet been called up. I am sure it will be.

However, the entire program has not moved forward as it should have done. Bureaucracy is not excited about it. All through the years, ever since the Department of Agriculture has been created, the bureaucrats have made no noticeable efforts to find new uses for what the farmers produce. They have resisted the creation of the President's bipartisan commission to find new uses. The bureaucracy have not backed legislation to implement the recommendations of the commission as they should. They will go along if they are forced to do so, provided every little nook in the bureaucracy can have something to do with it and maintain or enlarge its domain.

What we need, Mr. President, is to have someone become excited about the farm program, and do something for agriculture, rather than to maintain the status quo in the Department of Agriculture, or to enlarge the scope of the Department of Agriculture and the various sections of it, because people are interested in having bigger and better jobs.

Mr. President, the hour is late. I merely wish to recite a few illustrations. I hold in my hand a piece of paper. We are short of paper in this country. We must import it. Quite often the publishers of the country become concerned about the short supply of paper.

We could add to the present ingredients of paper about 10 percent by the use of starch made from farm products. However, if we folded the paper it would be brittle and would crack. Scientists tell us it is a small undertaking in research to overcome the brittleness. Yet nothing is being done about such research, because our program of research and pilot development and finding new uses is stalled on dead center. Were we to put 5 percent of starch from our farm surpluses into the paper used in the country, it would take 100 million bushels of grain.

That is only one use.

At the present time there is a great need in industry for industrial alcohol, plastics, fuels, and everything else that is derived from alcohol. It is not made from farm products, because it can be made cheaper from petroleum.

That does not have to be the answer. The way alcohol is made now from farm products is through the fermentation process. After the starch is taken out of the surplus grains and alcohol is made from it, the residue is not fit for human consumption. It is a high protein and very good for livestock, but it is a waste product so far as human food is concerned.

It is believed by many capable scientists that, with a little research, we can separate the starch from the protein in our surplus grain and have remaining a protein residue which is fit for human consumption. That protein residue then will have a very high value. It will sell by the pound, instead of by the ton. It will no longer be a waste product.

Second, the starch which is turned into alcohol will be a byproduct. It will be much cheaper. It will compete with alcohol made from other sources.

I might add, Mr. President, that there is no surplus of protein in the world. Our surpluses are in starch. All the foreign countries want protein. If the required research and development could be carried on, so that we could have a concentrate of protein, there would be a market for it throughout the world. At this time Italy realizes that a diet of macaroni and spaghetti has its deficiencies, even though it is very tasty, and that the Italian people need more proteins. We could take our farm surpluses, remove the starch from them, turn them into industrial uses, and have a concentrate of protein, with a great sale value and a worldwide market.

Mr. President, the recommendations of the Welsh Commission, the bipartisan Commission appointed by the President, call for a program of broad research and pilot testing and trial commercialization. These things are the answer not only to the wheat problem but also to the problems of agriculture generally.

The task force on sugar, potatoes, and all the other products pointed out that industry can use our surplus agricultural products. The earth produces 250,000 plants; but not more than 150 have ever been domesticated—not 150,000, but 150. It remains for research to find industrial uses for the rest of those plants, whether those uses be for paints and varnishes, or drilling muds, or paving materials, or what not. Thus they will have a value. Also, the good earth will produce things besides food.

The bill before the Senate continues up the same blind alley of not bringing relief to farmers, not enlarging markets, not saving the Federal Government money, and certainly not doing the consumer any good.

Mr. President, I am disappointed with the bill. I hope its basic premises can be reexamined. I hope the amendment which will be offered by the distinguished junior Senator from Kansas [Mr. CARLSON], providing for the domestic parity plan, will be adopted.

I urge, although it is not a part of the proposed legislation, that the program of industrial uses for farm products move forward. It is my hope that someone will rise up in the bureaucracy and decide that Government agencies have a responsibility to find markets for the farmers of the country.

#### ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Pursuant to the order previously entered, the Senate will stand adjourned until 10 o'clock tomorrow morning.

Thereupon (at 6 o'clock and 51 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, May 22, 1959, at 10 o'clock a.m.

#### NOMINATIONS

Executive nominations received by the Senate May 21, 1959:

##### DIPLOMATIC AND FOREIGN SERVICE

John M. Cabot, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Harry Grossman, of California.

Paul Kelly, of Pennsylvania.

Edward W. Lawrence, of Virginia.

Robert F. Lent, of New York.

Henry C. Martin, of Virginia.

George Lewis Warren, Jr., of Connecticut.

Miss Emily C. Cox, of South Carolina, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.



The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Mrs. Erna V. Beckett, of California.  
Miss Evelyn Blue, of New York.  
Miss Jean M. Chisholm, of Minnesota.  
Miss Edna Grenlie, of Wisconsin.  
Clement J. Mulligan, of Maryland.  
William E. Paul, of Pennsylvania.  
Rafael F. Torres, of Texas.  
Mrs. Marguerite Whitehead, of Washington.  
Deering E. Wilson, of Indiana.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert G. Adam, of California.  
Josiah H. Brownell, of Iowa.  
Maurice C. Burke, of Massachusetts.  
Allen Cooper, of New York.  
John M. Curry, of New York.  
Charles S. Hellyer, of Florida.  
Miss C. Patricia Junk, of Ohio.  
James E. Kiley, of California.  
Miss Loreice E. Lutfy, of Michigan.  
Paul B. McCarty, of Massachusetts.  
Miss Carmen McKee, of Washington.  
Louis M. Marrano, of California.  
Miss Georgiana M. Prince, of Illinois.  
John Susko, of Pennsylvania.  
Miss Martha E. Turnbull, of Ohio.  
Elwin T. Vangas, of New Hampshire.  
Robert E. Waska, of Texas.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert L. Bruce, of California.  
Homer M. Byington III, of Connecticut.  
Thomas J. Carolan, Jr., of Maryland.  
Allen E. Caswell, of New York.  
Gordon A. Cornell, of Massachusetts.  
William O. Dingwall, of Maryland.  
Frazier Draper, of Florida.  
Brandon H. Grove, Jr., of New York.  
James T. Hackett, of California.  
Keith M. Heim, of Nebraska.  
Henry A. Holmes, of the District of Columbia.

Miss Carolyn E. Kingsley, of Minnesota.  
William H. Mansfield III, of Connecticut.  
Frank Micelotta, of New York.  
William G. Miller, of Massachusetts.  
Gerald Joseph Monroe, of New York.  
Albert W. Noonan, Jr., of Illinois.  
William Ophuls, of New York.

Nicholas Platt, of the District of Columbia.  
Russell O. Prickett, of Minnesota.  
Walter F. Schepp, Jr., of New York.  
Robert Siegel, of New York.

Miss Helen M. Steiner, of New York.  
James P. Sullivan, of Pennsylvania.  
T. Elkin Taylor, of Georgia.  
Thomas M. Tonkin, of Illinois.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Robert E. Boies, of the District of Columbia.

Joyce R. Herrmann, of Indiana.  
Robert G. Mahon, of California.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Robert H. Lupton, of New York.  
David L. Milbank, of California.  
Richard J. Shugrue, of Virginia.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Robert G. Bent, of Maine.  
Robert G. Brewster, of Illinois.  
William D. Carey, of Virginia.  
Morris H. Lax, of Maryland.

Frank H. Oram, Jr., of the District of Columbia.

#### TENNESSEE VALLEY AUTHORITY

Brooks Hays, of Arkansas, to be a member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1960, vice Frank James Welch, resigned.

#### APPOINTMENTS IN THE NAVY AND MARINE CORPS

The following-named midshipmen (Naval Academy) to be ensigns in the restricted line of the Navy, subject to qualifications therefor as provided by law:

James A. Kelly  
Peter S. VanNort

Daniel E. Ralston, midshipman (Naval Academy) to be an ensign in the Supply Corps of the Navy, subject to qualifications therefor as provided by law.

Richard M. Krol (Naval Reserve Officers' Training Corps) to be an ensign in the line of the Navy, subject to qualifications therefor as provided by law.

Alan G. Brown (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named Reserve officers to be lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Donald J. Conlon  
Fredrick Y. Durrance, Jr.  
Hugh A. Klotz

The following-named Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

George R. Hilty III  
John L. Ickler  
Richard A. Lockwood  
George W. Oden  
Vincent J. Scavo  
Donald E. Willard, Jr.

The following-named Reserve officers to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Fred R. Edens  
George F. Monahan, Jr.

Daniel P. DeLave, Reserve officer to be a lieutenant in the Medical Corps of the Navy and to be promoted to lieutenant commander when his line running mate is so promoted, subject to qualifications therefor as provided by law.

The following-named (Naval Reserve aviators) to be lieutenants (junior grade) in the Navy, subject to qualifications therefor as provided by law:

Julian R. Abbott  
James B. Aucoin  
Richard B. Baumstark  
Clyde A. Beagle, Jr.  
Dennis G. Bisek  
Ronald R. Boyle  
Brian K. Bryans  
Richard W. Burt, Jr.  
William L. Cain  
Carl E. Campbell  
Donald V. Davis  
Jimmy W. Davis  
Robert V. Dean  
James F. Dorsey, Jr.  
James M. Ferry  
Charles R. Foster  
John K. Gardella  
Thomas V. Golder  
Lewis S. Gray  
Jim F. Hagan  
Sam H. Hawkins  
Jack M. Jackson  
Milton L. Jines  
William D. Kiper  
Christian A. Lange, Jr.  
Daniel G. MacIntyre  
Charles H. McNeil  
Wendell E. Miller  
Charles K. Moran, Jr.  
Charles P. Muhl, Jr.  
Joe R. Newsom  
George R. Persons  
Ronald T. Pollard  
Ronald L. Ream  
Duane O. Schumacher  
Norman T. Self  
Allen F. Spousta  
David R. Streeter  
Theodore R. Swartz  
James W. Thomas  
Richard A. Walker  
Jerry D. Walston  
Harold B. Walter  
Charles T. Wells  
John V. Wheeler  
William L. Wilko  
Benjamin B. Woodworth  
A. Courtney Yelle

The following-named officers in the Medical Corps of the U.S. Navy for permanent promotion to the grade of rear admiral:

Allan S. Chrisman  
Calvin B. Galloway

Bernard D. Garrett, U.S. Navy, for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law.

Robert M. Stanford, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law.

William D. Munsey, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law.

The following-named officers of the Navy for permanent promotion to the grade indicated:

#### LIEUTENANT COMMANDERS, LINE

Wayne E. Spainhour	Paul J. Hoffman
Jacob P. Smith	Dewitt L. Freeman
John L. O'Neill	Kenneth L. Melin
Paul J. Cunningham	Lyman L. Andrews, Jr.
Robert B. Read	Joseph N. Malnerich
Leland E. Kirkemo	Leo B. Marx, Jr.
Robert L. Clarke	Homer K. Cooley, Jr.
George R. Gill	James B. Shaffer
Robert Cummings	Erving L. Gordon
Harold O. Richards	Morrell E. French
Joseph L. Delaware	Roy E. Forbis
Harold K. Matthes	Warren D. Cress
Robert F. Byrnes	Walter T. Laws
Joseph Casco	William E. Haney
Robert P. Buerger	Paul L. Spargo
John C. McKee	Leonard J. Reinhart
William C. O'Brien	Paul Moore
Roman V. Maraszek	Robert E. Curry
Donald W. McMaster	Rutherford "B" Morgan
James C. Skipper, Jr.	Robert W. Edwards
William P. Pendery	John M. Sands, Jr.
John C. McCabe	Jack H. Cranton
Walter Scott	Billy F. Dunlap
Daniel V. Marshall, Jr.	James K. Burton
Fred W. Woessner, Jr.	George A. Parker
Robert S. Sutherland	Richard R. Carlson
Lester M. Heller	Robert H. St. Clair, Jr.
George F. Bean	Elton V. Conger
Melvin W. Jasper	John F. Condrén
James L. Mullen	Robert F. Roemer
John H. Brandenburg	Richard J. McAndrew
Edward F. Roth	Gerald Johnson
Gordon R. Barnett	Francis E. Rivers
Jimmie C. Jones	George Elmies
John Grentzer	William P. Becker
Shuler H. Mayes	Stephen E. Gamwell
Alfred C. Dinnel	Robert J. Blaisdell
William E. Hubert	Mahlon H. King
Marvin S. Blair	Eugene N. Berglund, Jr.
Henry S. Morgan, Jr.	John A. Jenkins
Lincoln H. Lippincott, Jr.	George H. Garbark
Thomas J. Murray	John W. Hamilton
Warren H. Miles	John L. Howard
Myrtle B. Smith	Jack Caldwell
Calvin E. Davis	Prentice J. Custer
David D. Work	Ray D. Schmoranc
Jack A. Jester	Robert R. Ellis
David D. Ditzler	Stuart T. Faulkner
Robert A. Moore	Willoughby W. Penney
Ray L. Humphries	Edward Ciulis
Rembrandt C. Robinson	Robert A. Burt, Jr.
William R. Trotter	Francis N. Masuen
Donald J. Hanson	Robert F. Wheeler
Sam K. Irving	Herbert A. Yarbrough
Ernest C. Connelley, Jr.	Albert W. Bradbury
Henry E. Sodke, Jr.	Arthur W. Price, Jr.
Charles D. Everhart	Lester H. Boutte
Harold L. Cravens	John H. Capistran
Richard A. DuVall	John F. Blair
Thomas J. Quarton	"D" Hunt Williams
Phillip F. Mohr	Lawrence E. Willson, Jr.
Robert S. Hoyle	John J. Dulhagen
Richard R. Justice	Frederick J. Brown
Carl Durtche, Jr.	Billy D. Howard



# Daily Digest

## HIGHLIGHTS

Senate passed bill on tobacco support and took up bill on wheat support.

Housing bill passed and sent to conference by House.

## Senate

### Chamber Action

*Routine Proceedings, pages 7846-7862*

**Bills Introduced:** 18 bills and 1 resolution were introduced, as follows: S. 2023-2040; and S. Res. 123.

*Pages 7850-7851*

**Bills Reported:** Reports were made as follows:

H.R. 5676, fiscal 1960 appropriations for the D.C., with amendments (S. Rept. 304);

H.R. 5805, fiscal 1960 appropriations for the Treasury and Post Office Departments, and the U.S. Tax Court, with amendments (S. Rept. 305);

S. 19, to provide a method of regulating and fixing wage rates for employees of the Portsmouth, N.H., Naval Shipyard (S. Rept. 306);

H.R. 3292, to amend the laws relating to the furnishing of supplies and services to foreign vessels and aircraft by the Navy (S. Rept. 307); and

H.R. 3366, to extend existing loans of naval vessels to certain foreign countries (S. Rept. 308).

*Page 7850*

**Bills Referred:** Two House-passed bills were referred to appropriate committees.

*Page 7845*

**Tobacco:** Senate passed (motion to reconsider tabled), S. 1901, to amend the Agricultural Act so as to stabilize and protect the level of support for tobacco after adopting Butler amendment to use base period in Agriculture Act of 1949 rather than in Agriculture Act of 1948 in computing price level.

*Pages 7863-7874*

**Authority To Report:** Committee on Appropriations was authorized during balance of 1st session of 86th Congress to file reports during Senate adjournments or recesses.

*Page 7856*

**Wheat:** Senate took up S. 1968, to strengthen the wheat marketing quota and price support program, reaching the following debate limitation agreement for further consideration of bill after today:

Thirty minutes on each amendment, equally divided, with the exception of Capehart amendment (in nature of substitute of bill), on which debate limitation will be 3 hours equally divided; no nongermane amendment

to be received; and 3 hours debate on question of final passage of bill, equally divided. *Pages 7874-7876, 7922-7923*

**Confirmation:** Nomination of Paul F. Foster, of Maryland, to be U.S. Representative to the International Atomic Energy Agency, was confirmed.

*Page 7925*

**Nominations:** The following nominations were received: John M. Cabot, of D.C., to be Ambassador to Brazil; Brooks Hays, of Arkansas, to be Member of Board of Directors of TVA; 70 in the Diplomatic and Foreign Service; 413 Navy; and 2 Marine Corps.

*Pages 7923-7925*

**Program for Friday:** Senate met today at noon and adjourned at 6:51 p.m. until 10 a.m. Friday, May 22, when it will continue consideration under debate limitation agreement on S. 1968, wheat bill.

*Pages 7892, 7923*

### Committee Meetings

(Committees not listed did not meet)

#### NASA AUTHORIZATIONS

**Committee on Aeronautical and Space Sciences:** Subcommittee on NASA Authorizations resumed its hearings, in open and executive sessions, on the fiscal 1960 budget for the National Aeronautics and Space Administration, with testimony from Dr. T. Keith Glennan, NASA Administrator, who was accompanied by members of his staff.

Subcommittee recessed subject to call.

#### WHEAT LEGISLATION

**Committee on Agriculture and Forestry:** Committee held an executive session to consider proposed amendments to S. 1968, to strengthen the wheat marketing quota and price support program, which bill is now the Senate's unfinished business. The committee disapproved, by a vote of 6 to 10, a substitute bill which would have provided for a mandatory cut of 20 percent in wheat acreage allotments with a price support of 85 percent of parity. Committee also disapproved, by a



vote of 7 to 9, proposed amendments which would have provided price supports of 75 percent of parity to producers planting full allotments, and 85 percent of parity to those producers reducing acreage allotments 20 percent or more.

#### POULTRY AND LIVESTOCK DISEASES, AND PRIVATE BILLS

*Committee on Agriculture and Forestry:* Subcommittee on Agricultural Research and General Legislation held hearings on the following bills:

S. 6, a private bill, with favoring testimony from Senator Ellender; and Charles F. Dulaney, of Baton Rouge; and opposing testimony from Reynolds Florance, U.S. Forest Service, Department of Agriculture;

S. 882, a private bill, with favoring testimony from Senator Cooper; Mrs. Kelly Kash and Roy E. Davis, both of Irvine, Ky.; and Robert H. McNeil, a D.C. attorney; and opposing testimony from Mr. Florance; and

S. 864, to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, with testimony from M. R. Clarkson, Agricultural Research Service, Department of Agriculture; and Dr. W. L. Bendix, U.S. Livestock Sanitary Association, Richmond, Va.

#### APPROPRIATIONS—D.C., AND TREASURY-POST OFFICE

*Committee on Appropriations:* Committee, in executive session, ordered favorably reported with amendments the following two bills:

H.R. 5676, fiscal 1960 appropriations for the D.C.—as approved the bill would provide a total of \$241,569,402, an increase of \$4,383,290 over the House-passed figure of \$237,186,112; and

H.R. 5805, fiscal 1960 appropriations for the Treasury and Post Office Departments, and the U.S. Tax Court—as approved the bill would provide a total of \$4,663,158,600, an increase of \$35,061,600 over the House-passed figure of \$4,628,097,000.

#### APPROPRIATIONS—DEFENSE

*Committee on Appropriations:* Subcommittee continued its hearings on fiscal 1960 budget estimates for the Department of Defense, with testimony from Vice Adm. Harold P. Smith, Chief of Naval Personnel; Maj. Gen. D. M. Weller, Assistant Chief of Staff, Headquarters, and Maj. Gen. Alan Shapley, Director, Division of Reserves, both of the U.S. Marine Corps; and Maj. Gen. Joseph J. Nazzaro, Director of Personnel Planning, Headquarters, Air Force.

Hearings continue tomorrow.

#### APPROPRIATIONS—INTERIOR

*Committee on Appropriations:* Subcommittee concluded its hearings on proposed fiscal 1960 budget esti-

mates for the Department of the Interior, and related agencies, after hearing testimony from Senator Ke-fauver, on funds for additional development of Great Smoky Mountains National Park, Tenn.; Senator Scott, on funds for acquisition of land at Gettysburg National Military Park; Senator Morse, on numerous items in the bill; and Roger Ernst, Assistant Secretary of the Interior, who discussed funds for the Indian construction program.

#### COMMITTEE BUSINESS

*Committee on Armed Services:* The committee, in open session, ordered favorably reported without amendment H.R. 3292, to amend the laws relating to the furnishing of supplies and services to foreign vessels and aircraft by the Navy, and H.R. 3366, to extend existing loans of naval vessels to certain foreign countries.

Committee, in executive session, ordered favorably reported without amendment S. 19, to provide a method of regulating and fixing wage rates for employees of the Portsmouth, N.H., Naval Shipyard, prior to which action the subcommittee report thereon was adopted.

Also, in executive session, committee approved the nominations of William B. Franke, of New York, to be Secretary of the Navy; Fred A. Bantz, of New York, to be Under Secretary of the Navy; Joseph V. Charyk, of California, to be an Assistant Secretary of the Air Force; Thomas S. Gates, Jr., of Pennsylvania, to be Deputy Secretary of Defense; and 464 nominations covering cadets and appointments in the Army.

#### MORTGAGE CREDIT

*Committee on Banking and Currency:* Subcommittee on Housing continued its hearings on the subject of mortgage credit, with testimony as to the effect of monetary policy on the supply of mortgage credit from James J. O'Leary, Director of Economic Research, Life Insurance Association of America.

Hearings continue Monday, May 25.

#### MUTUAL SECURITY

*Committee on Foreign Relations:* Committee continued its hearings on the proposed mutual security program for fiscal 1960, receiving the testimony of Senator Gruening, and numerous public witnesses representing various organizations.

Hearings continue tomorrow.

#### ARMY-NAVY HOSPITAL CONVEYANCE

*Committee on Government Operations:* Committee held hearings on S. 1616, to convey to the State of Arkansas the Army and Navy General Hospital, Hot Springs National Park, Ark. Testimony favoring the bill was received from Don W. Russell, Director, Arkansas State Board of Vocational Education; Maj. Gen.



Silas B. Hays, Surgeon General, Department of the Army; E. E. Ferebee, Office of Vocational Rehabilitation, and Chester B. Lund, Office of the Secretary, both of the Department of HEW, both of whom suggested amendments to the bill; E. B. Whitten, National Rehabilitation Association; Donald E. Lee, Chief of the Lands Division, and Frank E. Harrison, both of the National Park Service, Interior Department, who suggested amendments to the bill; and Curtis A. Roos, Public Buildings Service, Randolph M. Jackson, Real Property Division, and Robert Davis, Office of the Administrator, all of the GSA.

Hearings were adjourned subject to call of the Chair.

#### LAWS AFFECTING THE ICC

*Committee on Interstate and Foreign Commerce:* The Surface Transportation Subcommittee held hearings to receive testimony from officials of the Interstate Commerce Commission with regard to the administration of laws affecting ICC functions passed by the Congress within the last 2 years. Witnesses heard were Kenneth H. Tuggle, Chairman, and Richard F. Mitchell, John H. Winchell, and Howard G. Freas, members, and other ICC representatives.

#### CIVIL RIGHTS

*Committee on the Judiciary:* Continuing its hearings on pending civil rights proposals, the Constitutional Rights Subcommittee had as its witnesses Representatives Rivers of South Carolina and Whitten; and Bruce Bennett, attorney general, State of Arkansas.

Hearings continue tomorrow.

#### CONSTITUTIONAL AMENDMENT—SCHOOLS

*Committee on the Judiciary:* Subcommittee on Constitutional Amendments concluded its hearings on S.J. Res. 32, proposing an amendment to the Constitution reserving to the States exclusive control over public schools, with testimony from Senator Stennis.

It was announced that the record would remain open for several days for the inclusion of additional written material.

#### PRICE INCREASES

*Committee on the Judiciary:* The Antitrust and Monopoly Subcommittee concluded its hearings on S. 215, to require advance notice of price increases, after hearing testimony from John W. Gwynne, Chairman, and William C. Kern, and Edward T. Tait, both members, all of the Federal Trade Commission.

Hearings adjourned subject to call of the Chair.

## House of Representatives

### Chamber Action

**Bills Introduced:** 31 public bills, H.R. 7313-7343; 5 private bills, H.R. 7344-7348; and 12 resolutions, H.J. Res. 397, H. Con. Res. 177-184, and H. Res. 270-272, were introduced.

Pages 7973, 7981-7982

**Bills Reported:** Reports were filed as follows:

Disposition of executive papers (H. Rept. 371);

H.R. 6435, relative to disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the Office of the Sergeant at Arms, and of other amounts due such Member, amended (H. Rept. 372);

H.R. 3735, relative to equalizing retirement pay of former policemen, firemen, White House Police, and Secret Service personnel, and their dependents, amended (H. Rept. 373);

H. Res. 270, authorizing the employment of an additional assistant in the office of the attending physician, U.S. Congress (H. Rept. 374);

H. Res. 271, specifying salary rates for various employees of House of Representatives (H. Rept. 375); and

H.R. 7343, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for fiscal year 1960 (H. Rept. 376).

Pages 7980-7981

**Flood Prevention:** Received and read a letter from the chairman of the Committee on Agriculture announcing

the approval of work plans in connection with the following projects:

Little Paint Creek, Ala.;

Big Park, Iowa;

Jennings Creek, Tenn.; and

American Fork-Dry Creek, Utah.

The message and papers were referred to the Committee on Appropriations.

Page 7927

**President's Message—Science Fair:** Received and read a message from the President transmitting plan for U.S. participation in the World Science Pan-Pacific Exposition to be held at Seattle, Wash., in 1961. The message and accompanying papers were referred to the Committee on Foreign Affairs.

Page 7928

**Housing:** The House by a record vote of 261 yeas to 160 nays passed S. 57, Housing Act of 1959, after adopting the committee substitute amendment which replaced the Senate-approved language. House agreed to insist on its amendment; to request a conference with the Senate; and appointed as conferees Representatives Spence, Brown of Georgia, Patman, Rains, McDonough, Widdall, and Bass of New Hampshire. A motion to recommend the bill and insert the provisions of H.R. 7117 for the text of the committee substitute amendment was rejected by a record vote of 189 yeas to 233 nays. A request for a separate vote on the Thomas amendment to require direct congressional appropriation of funds in



lieu of present Treasury authorization method of financing resulted in its adoption by a record vote of 222 yeas to 201 nays.

During today's session amendments were adopted that provided for—

Certain public disclosure of statistics by redevelopers of urban renewal areas;

Including hotels and transient housing in urban renewal programs;

New text for "urban planning" section;

Deletion of Wherry housing acquisition provisions under "Armed Services Housing" section;

Extension of repayment period by 5 years on GI insured housing loans.

Rejected amendments that sought to—

Provide payments for business goodwill lost in relocating business in urban renewal programs;

Delete title VI, low-rent public housing;

Limit, in cities of 1 million or more persons, the erection of public housing units to areas acquired through urban renewal programs;

Make interest on public housing bonds taxable; and

Write in congressional intent that there should be no discrimination in selection of occupants of public housing on grounds of race, color, or creed. Pages 7928-7971

**Legislative Program:** The legislative program for the week of May 25 was announced by the majority leader. Page 7954

**House Employees:** Adopted the following two resolutions relating to employees of the House of Representatives:

H. Res. 270, authorizing the employment of an additional assistant in the office of the attending physician, U.S. Congress; and

H. Res. 271, specifying salary rates for various employees of House of Representatives. Page 7973

**Calendar Wednesday:** Agreed to dispense with Calendar Wednesday business of May 27. Page 7973

**Committee Resignation:** Received, read, and accepted letter of resignation of Representative Levering from membership on the Committee on Post Office and Civil Service. Page 7975

**Bills Referred:** 46 Senate-passed bills were referred to appropriate committees. Pages 7979-7980

**Quorum Call and Record Votes:** During the proceedings of the House today one quorum call and three record votes developed and they appear on pages 7928, 7963, 7970, and 7970-7971.

**Program for Monday:** Adjourned at 5:49 p.m. until Monday, May 25, at 12 o'clock noon, when the House will consider H.R. 7176, general government matters appropriation bill for 1960, and H.R. 7343, the Departments of State and Justice, and the Judiciary appropriation bill for 1960.

## Committee Meetings

### WHEAT

*Committee on Agriculture:* Met in executive session and ordered favorably reported to the House a clean bill H.R. 7246 (amended and in lieu of H.R. 7118), to provide that the acreage allotment reduction of wheat shall be 25 percent) and price supports shall be 90 percent of parity, and for other purposes.

The committee also ordered favorably reported H.R. 6436 (amended), to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants.

### WHERRY HOUSING PROGRAM

*Committee on Armed Services:* Subcommittee on Acquisition of Wherry Housing heard John Arrington, Chief of Family Housing, Office of Secretary of Defense, with respect to progress made to date in the Government's acquisition of certain Wherry housing projects. A public witness was also heard. Hearings continue tomorrow.

### FEDERAL RESERVE BANKS

*Committee on Banking and Currency:* Met in executive session and ordered favorably reported to the House S. 1120 (amended), to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

### JUVENILE DELINQUENCY CONTROL

*Committee on Education and Labor:* Subcommittee on Special Education ordered favorably reported to the full committee with amendments H.R. 3464, Juvenile Delinquency Control Projects Act (a clean bill will be introduced in lieu thereof).

### LABOR-MANAGEMENT REFORM

*Committee on Education and Labor:* Subcommittee on Labor-Management Reform Legislation continued hearings on H.R. 4473 and related bills. Public witnesses were heard and hearings resume on Tuesday, May 26.

### MUTUAL SECURITY EXTENSION

*Committee on Foreign Affairs:* Continued executive markup on legislation relative to the extension of the Mutual Security Act. Such sessions resume on Monday, May 25.

### INTERIOR COMMITTEE MISCELLANY

*Committee on Interior and Insular Affairs:* Subcommittee on Territorial and Insular Affairs ordered favorably reported to the full committee the following bills:

H.R. 3608, to acquire certain land on the island of Guam; and



# S. 1968

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IN THE SENATE OF THE UNITED STATES

MAY 21, 1959

Ordered to lie on the table and to be printed

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## AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. DIRKSEN to the bill (S. 1968)  
to strengthen the wheat marketing quota and price support  
program, viz: Strike out all after the enacting clause and  
insert the following:

1 That this Act may be cited as the "Agricultural Act of  
2 1959".

3 TITLE I—WHEAT

4 DISCONTINUANCE OF ACREAGE ALLOTMENTS AND MAR-  
5 KETING QUOTAS ON WHEAT

6 SEC. 101. The Agricultural Adjustment Act of 1938,  
7 as amended, is amended—

8 (1) by amending subsection (f) of section 335 by  
9 deleting item (1) and renumbering items (2), (3),  
10 and (4) as items (1), (2), and (3), respectively;

1           (2) by adding the following new section:

2           “SEC. 339. Notwithstanding any other provision of  
3 law, acreage allotments and marketing quotas shall not be  
4 established for the 1963 and subsequent crops of wheat.”

5                               PRICE SUPPORT

6           SEC. 102. Title I of the Agricultural Act of 1949, as  
7 amended, is further amended by adding at the end thereof  
8 the following:

9           “SEC. 106. Notwithstanding the provisions of section  
10 101 of this Act, price support for wheat shall be as follows:

11               “(a) The level of price support to cooperators for  
12 the 1960 crop, the 1961 crop, and the 1962 crop of  
13 wheat, respectively, if producers have not disapproved  
14 marketing quotas for such crop, shall be 75 per centum  
15 of the average price received for wheat by farmers dur-  
16 ing the three marketing years immediately preceding the  
17 marketing year for such crop. Price support for each  
18 such crop of wheat in case marketing quotas are disap-  
19 proved, in the case of noncooperators and in the case of  
20 cooperators outside the commercial wheat-producing  
21 area shall be as provided in section 101 (d) (3), (5),  
22 and (7).

23               “(b) The level of price support to producers for the  
24 1963 crop and each subsequent crop of wheat shall be  
25 90 per centum of the average price received for wheat



by farmers during the three marketing years immediately preceding the marketing year for such crop.

The Secretary shall determine and announce the price support level for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such price support level shall be final.”

## TITLE II—CONSERVATION RESERVE PROGRAM

SEC. 201. Section 108 (b) of the Soil Bank Act is amended by adding at the end thereof the following: “Effective beginning with 1960, the Secretary shall give special consideration to those States and regions where it is necessary to discourage the production of wheat.”

SEC. 202. Section 109 of the Soil Bank Act is amended—

(1) by amending subsection (a) to read as follows:

“(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956–1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977.”;

(2) by striking out in subsection (c) “\$450,-

1       000,000", and substituting in lieu thereof "\$500,-  
2       000,000".

3       **TITLE III—EXTENSION OF PUBLIC LAW 480**

4       **SEC. 301.** The Agricultural Trade Development and As-  
5       sistance Act of 1954, as amended, is amended as follows:

6       (1) Sections 109 and 204 of such Act are amended by  
7       striking out "1959" and substituting in lieu thereof "1962".

8       (2) Section 103 (b) of such Act is amended by strik-  
9       ing out "1959" and substituting in lieu thereof "1962" and  
10      by striking out "\$2,250,000,000" and inserting in lieu  
11      thereof "\$6,750,000,000".

12      (3) Section 203 of such Act is amended by striking out  
13      "\$800,000,000" and inserting in lieu thereof "\$1,-  
14      500,000,000".





80TH CONGRESS  
1ST SESSION

S. 1968

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# AMENDMENT

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(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. DIRKSEN to the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

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MAY 21, 1959

Ordered to lie on the table and to be printed



Calendar No. 283

86TH CONGRESS  
1ST SESSION

S. 1968

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IN THE SENATE OF THE UNITED STATES

MAY 21, 1959

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 1968)  
to strengthen the wheat marketing quota and price support  
program, viz:

1 Beginning on page 1, line 5, strike out all of section  
2 106 and insert in lieu thereof the following:

3 "SEC. 106. (a) Notwithstanding the provisions of sec-  
4 tion 101 of this Act, for each of the 1960 and 1961 crops of  
5 wheat price support shall be made available as provided in  
6 this section. The support price for each such crop shall be  
7 85 per centum of the parity price therefor. Wheat of any  
8 such crop shall be eligible for price support only if (1)  
9 the farm on which the wheat is produced is in compliance  
10 with the farm wheat acreage allotment for such crop, and

1 (2) the total acreage on the farm devoted to the production  
2 of crops supported under the Agricultural Act of 1949, as  
3 amended, which would normally be harvested in the calendar  
4 year in which the wheat crop for which the producer applies  
5 for price support is normally harvested, does not exceed  
6 the total average annual acreage on the farm devoted to  
7 the production of such price supported crops for harvest in  
8 1957 and 1958, less an acreage equal to 20 per centum of  
9 the farm acreage allotment for the crop of wheat for which  
10 application for price support is made which would be in  
11 effect for the farm except for the reduction thereof as pro-  
12 vided in section 344 (c) (2) of the Agricultural Adjustment  
13 Act of 1938, as amended: *Provided, however,* That a farm  
14 shall be deemed in compliance with the foregoing require-  
15 ments for price support for wheat if no crop other than  
16 wheat supported under the Agricultural Act of 1949, as  
17 amended, is produced on the farm for harvest in 1960 or  
18 1961, whichever is applicable, and the farm is in compli-  
19 ance with the farm wheat acreage allotment. In accord-  
20 ance with regulations prescribed by the Secretary, the acre-  
21 age of such price supported crops for 1957 and 1958 may  
22 be adjusted for abnormal weather conditions, established  
23 crop-rotation practices for the farm, diversion under soil  
24 bank programs, and to reflect history acreage preserved  
25 under section 377 of the Agricultural Adjustment Act of



1 1938, as amended, to the extent of any unused allotment  
2 not diverted to the production of such price supported crops.  
3 For the purposes of this section a producer shall not be  
4 deemed to have exceeded the farm acreage allotment or the  
5 acreage of permitted price supported crops for the farm un-  
6 less the producer knowingly exceeded such allotment or  
7 permitted acreage. In addition, for the 1960 or 1961 crops  
8 of wheat, if the producers on the farm meet the foregoing  
9 requirements for price support and, in accordance with reg-  
10 ulations prescribed by the Secretary, designate an acreage  
11 on the farm equal to the 20 per centum reduction in the  
12 farm acreage allotment required under section 344 (c) (2)  
13 of the Agricultural Adjustment Act, as amended, for the  
14 particular crop of wheat and do not produce any crop  
15 thereon which is normally harvested in the calendar year  
16 in which the particular crop of wheat is normally harvested  
17 and do not graze such acreage during such year, such pro-  
18 ducers shall be entitled to a wheat payment in kind from  
19 Commodity Credit Corporation stocks equal in value to one-  
20 third of the average annual yield in bushels of wheat per  
21 harvested acre on the farm for the three years immediately  
22 preceding the year for which the designation is made, ad-  
23 justed for abnormal weather conditions and as determined  
24 under regulations prescribed by the Secretary, multiplied  
25 by the number of designated acres. Such wheat may be

1 marketed without penalty but shall not be eligible for price  
2 support. The payment in kind shall be made by the issu-  
3 ance of a negotiable certificate which Commodity Credit  
4 Corporation shall redeem in wheat equal in value to the  
5 value of the certificate. The certificate shall have a value  
6 equal to the number of bushels determined as aforesaid mul-  
7 tiplied by the basic county support rate per bushel for num-  
8 ber one wheat of the crop normally harvested in the year  
9 for which the acreage is designated and for the county in  
10 which the designated acreage is located. The wheat re-  
11 deemable for such certificate shall be valued at the market  
12 price thereof as determined by Commodity Credit Corpora-  
13 tion. The Secretary shall provide by regulation for the  
14 sharing of a certificate among producers on the farm on a  
15 fair and equitable basis. The acreage on the farm which  
16 would otherwise be eligible to be placed in the conservation  
17 reserve program for 1960 or 1961 shall be reduced by an  
18 amount equal to the required reduction of 20 per centum  
19 under section 344 (c) of the Agricultural Adjustment Act  
20 of 1938, as amended, for the wheat crop of the correspond-  
21 ing year. Price support at 85 per centum of parity under  
22 this section shall be made available only to cooperators and  
23 only if producers have not disapproved marketing quotas  
24 for the crop.

25 “(b) The total amount of price support made available



1 under this act to any person for each of the crops of wheat  
2 harvested in 1960 and 1961, respectively, through loans or  
3 purchases by the Commodity Credit Corporation, or other  
4 agency of the United States Department of Agriculture, shall  
5 not exceed \$35,000. In the case of any loan to, or purchase  
6 from, a cooperative marketing organization such limitation  
7 shall not apply to the amount of price support extended to  
8 the cooperative marketing organization, but the amount of  
9 price support made available to any person through such  
10 cooperative marketing organization shall be included in de-  
11 termining the amount of price support extended to such per-  
12 son for the purpose of applying such limitation. The term  
13 'person' shall mean any individual, partnership, firm, joint  
14 stock company, corporation, association, trust, estate, or  
15 other legal entity or a state, political subdivision of a state  
16 or any agency thereof except that in the case of a partnership  
17 made up of two or more separate families or households  
18 each such family or household may be considered at its option  
19 as a 'person' for purposes of this subsection. The Secretary  
20 shall issue regulations prescribing such rules as he determines  
21 necessary to assure a fair and effective application of such  
22 limitation, and to prevent the evasion of such limitation."

86TH CONGRESS  
1st Session

S. 1968

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## AMENDMENT

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Intended to be proposed by Mr. HUMPHREY to the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

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MAY 21, 1959

Ordered to lie on the table and to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued May 25, 1959  
For actions of May 22, 1959  
86th-1st, No. 83

Adjournment.....	13		
Cotton.....	20		
Country life.....	3		
Dairy.....	14,18		
Disaster relief.....	5		
Electrification....	2,14,16		
Farm prices.....	6		
Farm program.....	14		
Foreign aid.....	11,17		
Housing.....	8		
Legislative accomplishments.....	7		
Milk.....	14,18		
Natural resources.....	12	Surplus food.....	15
Public Law 480.....	1	Surplus property.....	21
Research.....	4	Water resources.....	4
School lunch.....	9,19	Water rights.....	10
Surplus commodities.....	8	Wheat.....	1

HIGHLIGHTS; Senate passed wheat bill. Sen. Aiken criticized Secretary's proposal on REA financing. Sen. Dirksen inserted Secretary's Cedar Rapids speech.

## SENATE

WHEAT. Passed with amendments S. 1968, to revise price supports and acreage allotments for wheat. pp. 7991-8021, 8033-62, 8072-3

Agreed to the following amendments:

- By Sen. Williams, Del., 57 to 20, to provide that the total amount of price support extended to any person on any year's production of commodities through loans or purchases by CCC, or any other USDA agency, shall not exceed \$35,000. pp. 8000-12
- By Sen. Hart to remove the 30-acre limitation on the amount of wheat a farmer may grow to be used for feed and seed purposes on his own farm during the crop years 1960-61. pp. 8042-3
- By Sen. Young, N. Dak., to add an additional proviso relative to price supports, whereby a farmer who reduces his wheat acreage allotment 10% will receive price supports at 75% of parity. pp. 8052-4
- By Sen. Humphrey to modify the Williams amendment, after it had been agreed to, to provide that the \$35,000 limitation on price support payments to an individual shall not apply to a cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to the person under the \$35,000 limitation. p. 8056

Rejected the following amendments:

- By Sen. Dirksen, in the nature of a substitute for the bill, to provide price support for wheat until 1962 at 75% of parity based on the immediately preceding 3-year average prices, to extend the conservation reserve program for 3 years, and to extend Public Law 480 for 3 years. pp. 8056-60
- By Sen. Capehart, 5 to 69, to eliminate all price supports, acreage allotments, and marketing quotas for 1960 and subsequent crops, and to freeze CCC stocks of surplus commodities except for certain purposes. pp. 8033-42
- By Sen. Dirksen to provide that, in conducting wheat referenda, all farmers engaged in the production of wheat normally harvested in the calendar year immediately preceding the calendar year in which a referendum is held shall be eligible to vote. The effect of the amendment would have been to permit farmers who grow less than 15 acres of wheat to vote in a referendum. pp. 8054-6
- By Sen. Humphrey, 24 to 52, in the nature of a substitute for the Williams, Del. amendment, to provide that price supports to any person for each crop of wheat harvested during 1960 and 1961 through loans or purchases by CCC, or any other agency of USDA, shall not exceed \$35,000. pp. 8005-12
- By Sen. Humphrey, 30 to 48, to provide price supports for wheat at 85% of parity with a 20% reduction in acreage. pp. 8014-21
- Sen. Carlson submitted and later withdrew an amendment in the nature of a substitute for the bill, which would have substituted the language of his bill, S. 1484, providing for a marketing quota and income stabilization plan for wheat. pp. 8043-52

2. **ELECTRIFICATION.** Sen. Aiken criticized the Secretary's Cedar Rapids, Iowa, speech as reported by the press as advocating "doing away with the REA and creating a privately owned bank to take over the financing of this important rural program," and Sen. Aiken stated that "It would force possibly one-third of the REA cooperatives to give up the ghost and sell out to the utility interests," and further that "I dissociate myself completely from this attack by the Secretary upon the REA. I shall do all I can to prevent his recommendation from being acted upon favorably this session." Sens. Johnson and Carlson commended Sen. Aiken's statement. p. 7991
3. **COUNTRY LIFE.** Sen. Wiley urged the Agriculture and Forestry Committee to hold hearings on his bill, S. 265, to establish a Country Life Commission, and inserted a magazine article containing excerpts from the reports of the Country Life Commission appointed by President Theodore Roosevelt in 1908. pp. 7989-90
4. **WATER RESOURCES.** The Interior and Insular Affairs Committee reported without amendment H. R. 1306, to amend the Columbia Basin Project Act so as to permit delivery of water for use by Washington State College for agricultural research purposes (S. Rept. 309). p. 7985
- The Interior and Insular Affairs Committee reported without amendment S. Res. 121, to provide for the appointment of the chairman of the Interior and Insular Affairs Committee as an ex officio member of the Select Committee on National Water Resources (S. Rept. 310). p. 7985
5. **DISASTER RELIEF.** Received from the President a report of activity under authority of Public Law 875, 81st Congress, which authorizes Federal aid to State and local governments in major disasters. p. 7983
6. **FARM PRICES.** Sen. Langer inserted a letter from a constituent discussing the effects of farm prices and costs. pp. 7984-5
7. **LEGISLATIVE ACCOMPLISHMENTS.** Sen. Humphrey inserted a summary of major legislation passed by the Senate since Jan. 7, 1959. p. 8084



George Washington first developed the concept of supporting active duty forces with an organized militia. The Founding Fathers attached so much importance to the concept that they provided for the training and maintenance of a militia in the basic law of our country, the Constitution of the United States.

The militia clause of the national charter gave to Congress the power to provide for organizing, arming, and training of the militia according to the discipline prescribed by Congress. But the Constitution reserved to the individual States the appointment of officers and the training of the militia.

It was under this clause that the modern counterpart of the militia, the National Guard, developed. But it was not until the National Defense Act of 1916 that the National Guard of the several States attained a statutory basis as a component of the Army of the United States when in military service.

Since that time, the guard has advanced to its present recognition in the Armed Forces Reserve Act as an integral part of the first line of defense of this Nation. It should also be remembered that the declaration of congressional policy in the Universal Military Training and Service Act provides that "it is essential that the strength and organization of the National Guard, both ground and air, as an integral part of the first line defenses of this Nation, be at all times maintained and assured." Despite this constitutional and statutory recognition, it frequently has been difficult to assure the strength and organization of the guard. This difficulty is in no way the result of any lack of dedication or enthusiasm by members of the guard. It is, in my opinion, the result of a lack of appreciation and understanding in some quarters of the high quality of the guard forces and of the determination of guardsmen to share in the defense of our country.

Anyone with a rudimentary knowledge of the guard knows that it has both a Federal and a State mission. The Federal mission of the guard is to provide reserve units that are adequately organized, trained, and equipped for utilization in the event of mobilization into national service. The State mission is to provide a trained and equipped military organization for utilization by State authorities in performing the police powers of protecting life and property and preserving peace, order, and public safety.

I am grateful for this opportunity to pay tribute to the patriotism, devotion, and courage of those who serve their country as members of the National Guard. And I congratulate the National Guard Association upon the dedication of the National Guard Memorial. These splendid facilities will enable the association to better serve the guard.

#### WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from Indiana [Mr. CAPEHART] have amendments. I want to protect them and give them an opportunity to offer them, but if they find it impossible to come to the Chamber, there is not anything to do but proceed with the consideration of the bill.

I am going to suggest the absence of a quorum again, but I ask the attachés to notify Senators, if they have amend-

ments, to come to the Chamber and offer them.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes on the bill to the Senator from Vermont [Mr. AIKEN].

#### SPEECH BY SECRETARY OF AGRICULTURE BENSON ON REA

Mr. AIKEN. Mr. President, this morning's press reports a speech made yesterday by Secretary of Agriculture Benson before the Cedar Rapids Iowa Chamber of Commerce, in which he advocated doing away with the REA and creating a privately owned bank to take over the financing of this important rural program.

This proposal, Mr. President, could more properly have come from the corporate utility monopolies. I am sure it will have their full approval.

The effect of the Secretary's proposal would be to put the rural people of America at a still further disadvantage in what is still a competitive economy in this country.

It would put them still more under the thumb of giant banking and other corporate interests.

It would force possibly one-third of the REA cooperatives to give up the ghost and sell out to the utility interests.

Why did not the administration raise its voice when the corporate utilities were getting a subsidy in the form of rapid tax writeoffs to the tune of more than \$3½ billion?

Why does it not protest the rising cost of interest charges to our Government, which now exceeds the costs of all farm and allied programs by over \$2 billion?

Why does it not speak out strongly against practices that are throwing the economy of America more and more into the hands of a few giant corporations and farther and farther from the control of the people of the Nation.

Why does it concentrate an attack on farmers and other rural people who are banding together simply to protect themselves and their families?

I dissociate myself completely from this attack by the Secretary upon the REA. I shall do all I can to prevent his recommendation from being acted upon favorably at this session.

A few weeks ago I voted to sustain the President's veto of a bill which affected the REA in a minor way. I called it poor legislation, as it was.

However, if I had known at that time that the Secretary had planned to make this attack upon the REA, I doubt if I could have resisted the impulse to vote with the majority of this body.

I thoroughly resent every move to put the farm people of America under the domination of monopolistic interests.

The American farmer was not born to be a servant, and so long as I can help prevent it, he never will be.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JOHNSON of Texas. I commend the very able Senator for the statement he has made. Like him, I was shocked when I read of the proposal to which he has alluded. I think it could more properly have come from a private bank rather than from a public official selected to serve the agricultural interests and the farmers. I thank the Senator for the position he has taken, and for the position he has always taken on behalf of the farmers.

#### WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

Mr. DIRKSEN. Mr. President, on the bill, I yield 20 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 20 minutes.

Mr. CARLSON. Mr. President, I expect to discuss the pending farm bill regarding wheat, but I wish to commend the Senator from Vermont for the statement he has just made with respect to the REA, which is one agency in this Nation which has meant very much to the rural sections of our country. I not only share the Senator's views, but I also appreciate his making his statement this morning on the floor of the Senate.

Mr. President, I think we must look at the agricultural problem on the basis of a long-term program—at least for a period of from 5 to 10 years. Our difficulty is we like to look at the immediate situation, which seems to be one of an increasing amount of surpluses, stored at Government expense.

We do have a farm problem, and it is a problem of over-production, or surpluses, which has resulted in a serious situation for the farmers, but from the view of the general public it is not a problem at all, it is a record of magnificent achievement.

It is now time for Congress to write a prescription for more permanent remedies than those which have served the farmers for the past 25 years. In fact, Congress has the prescription for handling the wheat wheat problem before it now, I believe, in a bill to which I shall refer in the latter part of this statement.

The programs which have been instituted in the period I have mentioned have taught us a great deal. We are much wiser for our experiences, and we have accumulated data on which our agriculture economists may draw to formulate new programs. It is no time to abandon the patient, which seem to be the conclusion reached by so many of our city-born-and-bred editors, who persistently wring their editorial hands over the farm problem and the cost of our farm programs.



## COMMONSENSE IS CALLED FOR

A little commonsense would perhaps be in order on the part of those who despair about our ability to handle our agriculture surpluses—which is the heart of the problem.

One thing badly needed is for the public to come to know the true meaning of some of the terms which are used as scare words to create a distorted and utterly untrue picture of the farmer in the minds of his city cousins. If we can focus our attention on the semantics here involved, then perhaps we can evaluate more clearly some of the patterns and proposals which show promise of evolving into a sensible and long-term farm program. Perhaps an exploration of some of the common charges frequently leveled at the farmer and the present role the Government plays in the farmer's economic life is in order.

"Support prices," "parity," and "surpluses" are terms of scorn as used by many of the severest critics of current farm programs. In this unfortunate connotation, "support prices" becomes a term implying that tax money collected from the general public is lavished on the farmer so that he may winter in Sarasota or Pasadena; "parity" comes to mean a sly formula used to pry the lid off the National Treasury, and "surpluses" represent in this parlance a shovel with which to scoop out the money.

If I am guilty of overstatement, my margin of exaggeration is but a few degrees different from that employed by those who eternally thunder their opposition to any constructive farm program. Even some of the more reasonable and respected writers on occasion join in echoing the more monotonous and threadbare clichés. As a mild example, I cite a top journalist writing in one of our most reliable and eminent daily newspapers.

Richard L. Strout, in the *Christian Science Monitor*, fell into this common error, which characterizes so much of the editorializing on the farm problem. After noting, with some discernment, that "the United States has the world's greatest technical farm revolution by the tail and still does not know how to let go," Strout avers that "farmers are producing ever-cheaper goods but the Government says the consumers can't have them cheap." He adds, further on in his piece:

The Government is trying to balance the budget but is paying out billions for a subsidy. It supports free enterprise but is interfering massively in the economy. It is trying to halt inflation but subsidizes farm prices to keep them up.

Then becoming more specific, he says the fault is that the Government is "trying to do two different things at the same time; stabilize agriculture while encouraging soil fertility." And he explains:

The city consumer pays taxes so that his food will cost more at the corner market.

The American people have no worries about being short of food. The American consumer is getting not only a large quantity of high quality foods, but he is also getting them at the cheapest cost in

our Nation's history, based on his average earnings.

The agricultural commodities are the consumers' best buy. It takes only 1.2 hours of factory labor to buy 1 pound of beefsteak as compared to 1929, when it took 2 hours of factory labor to purchase 1 pound.

Let us consider bread, for instance. In 1929 1 hour of factory labor purchased 6.4 loaves of bread. In 1958 this same hour of factory labor purchased 11 loaves of bread.

I ask unanimous consent to have printed in the *RECORD* a table from the Agricultural Marketing Service of the U.S. Department of Agriculture, giving additional information on the amount of labor required to purchase certain commodities. There being no objection, the table was ordered to be printed in the *RECORD*, as follows:

Consumers—Quantities of foods purchased by 1 hour of factory labor

	In 1929	In 1958
Bread.....loaves.....	6.4	11.0
Steak.....pounds.....	1.2	2.0
Milk.....pints delivered.....	7.8	16.8
Butter.....pounds.....	1.0	2.9
Bacon.....do.....	1.3	2.7
Eggs.....dozen.....	1.1	3.5
Potatoes.....pounds.....	17.7	33.8
Oranges.....dozen.....	1.3	2.8

Source: Agricultural Marketing Service, U.S. Department of Agriculture.

Mr. CARLSON. Referring again to Mr. Strout's article, Mr. President, Mr. Strout fails to see the major objective behind the farm program as it has operated for nearly 25 years, to keep the farmer within respectable economic range of the other segments of our society—the business people, professional classes, white-collar workers, and skilled laborers. This is what parity seeks to do. The great depression demonstrated that when the farmer's income drops the entire country suffers. Parity developed as a system to retard this descent, with controls an integral part of the plan.

One would also infer from the journalist's words that no attempt should be made to improve agricultural techniques and soil fertility while we attempt at the same time to stabilize the farm economy. This logic is like saying that there should be no improvement in making steel as long as 50 percent of plant capacity lies idle. A strange concept, indeed.

To support his view, the journalist quotes the celebrated Harvard economist, Prof. Sumner H. Slichter. I have not read the text from which the professor is quoted; but the excerpts imply that Dr. Slichter sides with those who consider price supports an unmitigated evil, keeping consumer food prices high at the expense of the taxpayer.

If Senators have listened to one of the many luncheon club speakers addressing himself to the farm problem, they know that his urban audience has applauded most enthusiastically when price supports were denounced, parity was attacked, and our surpluses were bemoaned. These speakers level the accusing finger at the farmer and place on his head a multiple charge. The budget

deficit, the high cost of living, and the decline in the value of the dollar are the farmer's fault, they would have us think.

I have never been able to find that those who keep reiterating the theme that the taxpayers are being gouged by farmers through a system which includes parity, supports, and surpluses—which, they insist, hikes our taxes and inflates the price of the food we buy—were contributing in any way to a more constructive farm program. Their performance convinces me that perhaps the wheat farmers could teach these people a great many lessons about the farm problem and how it may be solved—if they would only listen.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CARLSON. I am happy to yield.

Mr. YOUNG of North Dakota. I think the Senator is performing a real service for the Senate of the United States and for the public in general by trying to put agriculture in a more fair and accurate light. I have read many of the same editorials and articles which condemn the farm programs. They are articles written, I think, by sincere people, but certainly by those who are misinformed. Many of the stories are so far from the truth that it is hard to understand how anyone could believe them, but unfortunately millions do. I think many do not realize that farm commodities are perhaps the only things the consumer can buy today at lower prices than he had to pay for them 10 years ago, that is, at the farm level. In between are high costs added by middlemen, processors, and so forth.

While farm prices have dropped drastically, the consumers are paying more today for food than they ever paid before. That is something which is usually not brought out in the articles.

I think the farmers would be perfectly willing to do away with all Government programs if there were some other means of securing even a semblance of a fair price. I believe farmers dislike Government programs perhaps more than any other group in the world. How are farmers going to compete when labor is so highly organized and when industry is so highly organized? All other segments of the economy can pretty well fix prices, but millions and millions of farmers are competing against each other, and they are supposed to go it alone? I think the farmers would be perfectly willing to go it alone if the rest of the country were willing to do the same.

I commend the Senator from Kansas for his courage in rising in the Senate to defend the farmers against these unfair accusations.

Mr. CARLSON. Mr. President, I appreciate very much the remarks of the Senator from North Dakota. I am in accord with the Senator's views. I think the farmers would appreciate very much being relieved from the restrictions, the marketing quotas, the allotments, the acreage limitations and all the other things which are tied together to make up the farm program, if they did not have to buy in a market in which are involved minimum wages, and great sub-



sidies for practically every form of business, including even the Post Office Department. Therefore the farmers are in a difficult situation, at a time when all other industry and individuals seem to have the benefit of Government support.

Mr. YOUNG of North Dakota. Mr. President, I believe the Senator from Kansas feels, as does the Senator from North Dakota, that none of us votes for farm programs because of the political angle. I would rather not have to work for any kind of farm program—and I would take that course regardless of politics—if I thought such a course meant anything but starvation for farmers and a depression not unlike that which we faced in the late 1920's and 1930's. Farmers and those who handle farm products represent about 40 percent of the income in the United States, and about 40 percent of the labor force. I do not see how we could allow these prices to drop to very low levels, as some would advocate.

Mr. CARLSON. I appreciate the comments of the distinguished Senator from North Dakota, and I agree with him.

#### SPECIALIZATION HAS COME TO THE FARM

Almost any wheat farmer would first remind his critics that there have been many changes in American agriculture. Today's farmer is a specialist. The pattern becomes clear if one visits a typical wheat grower's operation in my home State of Kansas, the leading wheat producing State of the Union.

On today's farm the barn has become a machine shop—indisputable evidence of the tremendous technological revolution that has swept the farm. Inside the farmer's home, one finds the same appliances and modern conveniences that characterize the urban home—another phase of the technological revolution which has electrified over 90 percent of American farms. The bread on the farmer's table very likely was baked in the city, and the milk was probably bottled by a dairy in the nearest town—that dairy, in turn, supplied by specialists. In the morning a bus picks up the farmer's children and hauls them to school in town, where they study and play with the town youngsters.

Today's farm worker, by and large, is now a man trained to operate and repair trucks and tractors. The hired hand of a past generation, who rose before dawn, slopped the hogs, milked the cows, cleaned the stable and rationed oats to hungry horses is as scarce today as the coal oil lamp which gave him light. Today's mechanized agriculture, with men working in shifts, makes of seed time and harvest an around the clock operation on many great wheat ranches of the Great Plains and the West.

And one cannot consider the technological changes that have been brought about on the farm through the great mechanization of the past 20 years without giving recognition to another all important factor. Today's farm, and particularly a wheat operation, represents a much greater capital investment than was ever called for on the conventional self-sufficient unit of past generations. Figures compiled by statisticians who

have investigated the subject report that the average wheat ranch represents an investment of from \$40,000 to \$50,000 in equipment. In fact, on the cash-grain farms of the Pacific Northwest, where crops other than wheat occupy a little over one-fourth of the land, the capital investment, including land, buildings, livestock and machinery, will average \$134,661, according to the 1954 Census of Agriculture, reissued jointly by the Departments of Agriculture and Commerce.

#### THE CONSUMER AND THE PRICE OF WHEAT

The second thing the wheat farmer would make clear to the critic would be the fact that the price of wheat, as with so many of our agricultural products, has little relationship to the price of the wheat products the consumers buy. The price of wheat is probably the factor having the least effect on the price of your bread, doughnuts, cake or cereal. Were the farmer to give his wheat away the price of a loaf of bread would show little decline.

To stress this point further, the wheat farmer need only turn to the Department of Agriculture. He can quote from a study published in the Marketing and Transportation Situation, February 17, 1954, which concluded flatly that "no matter what happens to the price of wheat in the future, it will have little effect on the cost of wheat products to the consumer."

The wheat farmer could enlighten the consumer on what he is paying his money for when he carries the next bag of groceries from the store. The farmer could tell him that the experts who figure these things have estimated that of every dollar spent for food last year a little less than 40 cents went to the farmer. The rest of the dollar left at the supermarket covered the cost of handling, processing, transporting, packaging, and so forth. The consumer would also discover that while there was a price decline in the things the farmer produces, the prices of things he had to buy were increasing substantially.

One can almost agree that in recent years it is nearer the truth to say that the farmer has actually been subsidizing the consumer. Between 1952 and 1958, the market price of wheat dropped from \$2.11 to \$1.76 a bushel. During this period, while the cost of wheat in a pound loaf of bread was declining, the retail price of a loaf of bread increased more than 20 percent.

One could go on marshaling the facts which should conclusively show that, so far as wheat is concerned, parity, price supports and surpluses have very little influence on the price of wheat products. A similar case can be made for many other agriculture commodities. The costs attributable to processing, packaging, handling, and transporting account for the major share of the consumer's costs. Only among perishable commodities does this seem to be the exception rather than the rule. Because storage of these commodities by their very nature is limited prices sometimes skyrocket over night.

A killing frost, such as that which struck the citrus groves of Florida in December of 1957, can send prices soaring

like they had been launched at Cape Canaveral. However, more than a year later, with no notable scarcity to influence supply and demand, prices on citrus products to the consumer have yet to return to the lower levels which prevailed prior to the freeze. The consumer might accept this situation more gracefully if he were assured that the producers were enjoying an equitable share of the higher price in the market place.

On the other hand, when a kind Providence produces an abundance, as in the case of the Appalachian apple crop in 1958, the producers may be paid the lowest prices in 13 years, not even covering cost of production, but the housewife buying apples and applesauce would never guess from the prices she pays that the bottom had gone out of the apple market. Does it not seem that the farmer should be cleared immediately of any charge that he is responsible for the high cost of living?

#### BUT WHAT ABOUT SURPLUSES

"But," one may protest, "We will dismiss the case against the farmer as concerns consumer prices, Senator, but you cannot deny that the farmer's surpluses are costing the taxpayer a tremendous sum, especially the storage costs on wheat."

I agree to this only in part. Let us suspend judgment and look at some further facts before we condemn the wheat grower or the producers of other commodities in surplus. The wheat growers have been proposing to do something about this for the past 4 or 5 years. They believe that they have a solution for curing the surplus, eventually eliminating the high storage charges, maintaining prices at a parity level, and doing so without throwing the burden on either the consumer or the taxpayer—if there is a difference between these two.

I incorporated the proposals of the wheat growers into a bill which I introduced in the Senate on February 19, 1959. Joining me in the sponsoring of this measure, known as S. 1484, are Senators from nearly all the great wheat producing States and representing both of our major political parties.

The distinguished Senator from North Dakota [Mr. Young] has been most interested in this proposal.

In introducing the bill, I had in mind the thought that the Congress and the wheatgrowers themselves must consider changes in our present farm program dealing with wheat. S. 1484 provides for a wheat marketing-control program instead of production-control program, which characterizes existing farm programs. In other words, this is a program that would preserve the wheat-grower while at the same time it would provide a solution to the wheat problem and at a lower total cost than the present wheat program.

It is my contention that the most important problem of the wheatgrower today is that of maintaining sufficient income to permit the purchase of the products of industry and labor and still retain a satisfactory standard of living in the face of reduced acreage, lower farm prices, and rising costs of production.



I contend, further, that lower prices for wheat do not aid in solving the problem of excess supplies, by either reducing production or by increasing consumption, but serve only to increase the marketing cost margins between the producers and the consumers.

I think the history of farm legislation proves that although the allotment acreage and marketing quotas served well their original purpose, they have not solved the surplus problem. I have said on the floor of the Senate on frequent occasions that the farm problem will not be solved by either flexible or inflexible parity prices. I know of no farm organization, or any wheatgrower, who holds that permanent solutions are to be achieved in that way. The process of making an adjustment to a new program should not include the liquidation of the grower.

Before the Senate Agriculture Committee, Mr. Floyd Root, of Wasco, Oreg., the president of the National Association of Wheat Growers, countered the thought that reducing the incentive would curtail production when he said:

We believe, during this period of cost-price squeeze in agriculture, that lower prices will force wheat producers to plant the maximum acres permitted and to increase his efficiency in order to remain solvent.

Voicing further the opinion of the majority of the Nation's organized wheat farmers, Mr. Root added:

Reducing acres to control production has not solved the problem and is a negative approach. Acres shifted from wheat are producing surpluses in other crops, and acres shifted from other crops are producing surplus wheat.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator has expired.

Mr. CARLSON. I wonder whether the distinguished minority leader would yield me a few more minutes.

Mr. DIRKSEN. I yield another 10 minutes to the Senator on the bill.

Mr. CARLSON. Mr. President, what are we doing? Are we simply stalling for time? We are waiting for 1975 or the year 2000, when we hope our population can consume our agricultural production. Even then, through technological progress, production may still exceed consumption.

The National Conference of Commodity Organizations Committee on Field Crops made a similar statement on price supports in 1958:

We are absolutely firm in our conviction that lowering price supports which lower prices as a means of adjusting production will not be effective, but will only increase production, and proof of this is now available for any realistic appraisal.

Since the farmer cannot increase his acreage, he finds that to maintain his income he must increase his efficiency and produce a greater yield on the acres which he can plant to wheat, while on his remaining acreage he plants feed grains and adds further to the extensive surplus in that category.

NO GREAT EXPANSION OF WHEAT MARKET  
FORESEEN

The information supplied by Department of Agriculture statisticians indi-

cates that new markets for wheat hold little hope for increasing the utilization of wheat for some time to come. Only a year ago they reported that even by 1975, the annual utilization of wheat for both domestic use and exports probably will be only slightly higher than the estimates of 1960, unless special measures are taken to encourage use of wheat for livestock feed, or industrial use is stimulated greatly.

We must plan a program to solve the wheat problem based on an estimate of what reasonable demand may be for this abundant grain. The experts, quoted above, basing their projections on Bureau of the Census figures and studies, tell us that the figure will be roughly 900 million bushels per year. That is 500 million bushels less than we produced in 1958. Although most discussions of agricultural problems usually end with the statement that increases in population will in time take care of our farm surpluses, we can see that this is not likely to occur for a good many years in the case of wheat.

At the same time, perhaps because of the increased use of red meat in the American diet, there has been a decline in per capita consumption of wheat, offsetting the increase one would have expected with the immense growth in population.

Yet sometime, somewhere, requirements and production will have to balance and, until they do, adjustments in production will remain a continuing problem. This is further confirmation that our productive capacity is elastic at a time when our consumptive capacity is inelastic.

One of the factors which makes some of our students of the problem think a balance between production and consumption may be a long time coming is that our capacity to produce has consistently outrun our demand, except in times of war and drought. And the problem of overproduction in wheat has been a recurrent one for more than 30 years.

The past year has given ample evidence, too, that more than a curtailment of acreage planted is needed to meet the wheat problem. Today the total national acreage sown to wheat is approximately the same as in 1910, with about 1 of every 6 acres of U.S. cropland producing wheat. The golden ocean of wheat is much smaller than it was in 1951. Its shores have been contracted by the allotment plan which in less than 10 years has cut the total back 18 million acres.

But consider this fact. In 1958, the second largest crop of winter wheat in the Nation's history was produced. The average yield of 27 bushels an acre was a new record production. And for the Nation as a whole it was the largest crop on record. U.S. wheatgrowers produced almost 1.5 billion bushels on fewer than 54 million acres. Only a few years ago, 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels.

To see the full significance of what this greater production per acre means to the individual wheatgrower, we must not overlook the fact that when he is faced with a reduction in farm income

because of acreage allotments and lower prices, the grower naturally intensifies his effort to increase the efficiency of production. He must reduce costs per unit of production while increasing production per unit of cost. With the important part mechanization plays in the process, it becomes obvious that to obtain a volume which will produce an adequate income, the farm unit today must be substantially larger than before.

THE HONORS SHOULD GO TO THE WHEAT  
PRODUCERS

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technological advances and improved land management programs in recent years.

Twenty years ago, wheat yields averaged only 13 bushels per planted acre. In the 1940's, yields had increased to nearly 16 bushels per planted acre; and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957, average yields were still higher—almost 20 bushels per planted acre. Then in 1958, with a beneficent nature blessing the wheatgrower with ideal weather, wheatgrowers outdid themselves, and produced almost 26 bushels per planted acre, or 27.3 bushels per acre harvested. This combination has filled the wheat bins of America to overflowing and as a result we are being told on all sides that the No. 1 farm problem this year is our wheat surplus.

In his agriculture message to the Congress, the President pointed to the tremendous surplus of wheat and said:

We already hold such huge stocks of wheat that if not one bushel of the oncoming crop were harvested we would still have more than enough for domestic use, export sales, foreign donation and needed carryover for an entire year.

Actually, present indications are that the stock of Government surplus wheat will exceed 1,300 million bushels on next June 30. The Government will have in excess of \$3 billion invested in that surplus stock, plus an additional cost of more than half a million dollars a day for storage of the wheat.

But this surplus of wheat should not be looked upon as a weight around the taxpayer's neck. It is, if viewed in proper perspective, one of our Nation's tremendous assets, a fact to which I will make reference further on. We should heap high honor on the wheat producers of America for this amazing performance. This is a production record achieved by few comparable groups in America, this is a production record of which to be proud. And, as said on the floor of the Senate, I repeat here, I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than that needed for domestic food and export. What a national and even worldwide tragedy it would be if we did not have this productive capacity. The stabilization plan authorized by S. 1140 recognizes this situation and deals with it in a way which is fair and equitable to wheat pro-



ducers, domestic consumers, feed-grain and livestock producers and to producers in other exporting nations. Surely these farmers are entitled to a price support program that assures them a fair reward for outstanding services rendered.

I am fully aware that the production record I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and have caused program costs to skyrocket. I realize that much of the criticism heaped on the Department of Agriculture, on Congress and on the farmer, too, for that matter, stems from the fact that we now find the programs, which were supposed to be temporary, too costly. We know that we cannot continue them indefinitely, that we must find a less costly, more equitable, long-term solution to the price and income problems faced by our agricultural producers. And we must find it promptly. But the record should be clear on one point: Wheat producers for several years have recommended giving up the present outmoded program for wheat. I reiterate, for at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated Government costs.

#### THE WHEAT PROBLEM CAN BE SOLVED

In my judgment, there would be no wheat crisis today if we had had the vision and the wisdom to adopt the domestic parity program for wheat several years ago. I am, indeed, proud of having been the one to introduce such legislation in the Senate on several occasions.

Mr. NEUBERGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I know the Senator from Kansas is under controlled time; therefore I shall not impose on him unduly. I merely wish to thank him for the leadership he has taken in sponsoring the domestic parity plan as presently contained in S. 1484. I wish to assure him of my support and, I am sure, also of the support of most of my colleagues from the Pacific Northwest, if not all of them. We are grateful to the able Senator from Kansas for having been the spearhead and the leader in the effort somehow to adjust our wheat program fairly and equitably. I believe that his domestic parity bill does that by reducing the Government's financial obligation, by tending gradually to eliminate surpluses, and by helping to free some wheat for the feed market, where it will help many people who are raising poultry, turkeys, and so forth. It is a desirable bill.

I also wish to commend the Senator from Kansas for his endorsement of the defense of the Rural Electrification Administration voiced earlier by the able Senator from Vermont [Mr. AIKEN]. I was not able to join in the discussion at the time because I was presiding over the Senate. I therefore wish to concur in what the Senator from Kansas said in that respect in support of the REA.

Mr. CARLSON. Mr. President, I appreciate very much the comments of the junior Senator from Oregon. There has been no more able or stronger supporter of proposed legislation which will maintain the wheatgrowers' income than the Senator from Oregon. He has not only cooperated in that effort, but we have worked closely together, and it has been a pleasure to work with him.

Mr. NEUBERGER. I thank the Senator from Kansas for his characteristic graciousness.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LANGER. I am delighted to hear the speech the Senator is making, with which I thoroughly agree. Perhaps, however, we should emphasize one factor; namely, that the price of wheat the farmer gets has nothing to do with the price of bread, and that monopoly factors enter into the price. In Pittsburgh, for example, a few years ago there were 24 independent bakeries. Today there are five. The same is true with respect to National Dairy Products, which has a complete monopoly of ice cream production. Therefore, in arriving at the price of bread we should take the monopoly situation into consideration. I know my friend has done so. I wish to compliment him for his very able discussion of the situation. I am supporting his amendment.

Mr. CARLSON. I know that the wheatgrowers of America never had a stronger supporter than the senior Senator from North Dakota [Mr. LANGER], who has been working for many years in this field and in the whole field of agriculture.

Mr. President, in drafting a new, improved bill, one which would be even more comprehensive than the domestic parity plans which previously won congressional support, there were four basic considerations we kept in mind. These were, first, the new high levels of productivity must not be allowed to bankrupt the wheat-producing industry; second, the building of Commodity Credit Corporation wheat stocks must be stopped, and they must gradually be reduced to a normal level; third, a further reduction in the acreage of wheat must not result in additional acres shifted to other crops; and, fourth, increased yields per acre must not be reflected in increased Government holdings of wheat.

This plan sets an annual national marketing quota of wheat based on the estimated domestic consumption plus exports, after withdrawing 75 million bushels from Commodity Credit Corporation stocks. It provides for loans on wheat, within this marketing quota, at 65 percent of parity. Each producer would be provided with income stabilization certificates equal to his share of the domestic food market—in bushels—which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and the parity price. However, to qualify for the certificates, the producer must place in a conserva-

tion reserve, acreage equal to at least 20 percent of his base wheat acreage.

Processors would purchase these certificates at no less than their face value to accompany wheat milled for domestic use. At the same time a defense stockpile of 500 million bushels of wheat, stored under 5-year contracts to effect a substantial saving over current rates, would be established. Restrictions on production and use of nonquota wheat would be removed except for domestic food and for export.

Thus the producer would receive a fair return while at the same time having fuller control of his operation. Only the best quality wheat would be marketed for domestic food use and for export, through regular commercial channels.

The plan would reduce by \$400 million or more a year the estimated Government cost of wheat price supports as well as reducing by \$500 million or more a year the total Government outlays. And by increasing the conservation reserve 12 to 14 million acres of wheatland, an excess of 5 to 8 million acres of wheat would be eliminated. At the same time foreign trade in wheat would be protected and stabilized through marketing quota provisions, including the interests of Canada and other wheat exporting nations.

#### OUR SURPLUSES A GREAT WEAPON IN THE COLD WAR

This program could strengthen American economic foreign policy in the underdeveloped area of the world, enabling our surpluses to become a powerful weapon in checking the spread of communism in less fortunate world areas. I can think of no wiser use of our surpluses—wheat being but one of them, although the one in greatest supply—than to help end hunger in world neighborhoods where famine is the accepted way of life. These are the people whose friendship we would win in the world of tomorrow and we must remember that the Soviet power has never underestimated the importance of food as an ideological and propaganda weapon. I am sure that this wheat stabilization program can implement the food for peace portion of the President's message when he expressed a characteristic American attitude with these inspiring words:

As we move to realistic farm programs, we must continue our vigorous efforts further to expand markets and find additional outlets for our farm products, both at home and abroad. In these efforts there is an immediate and direct bearing on the cause of world peace. Food can be a powerful instrument for all the free world in building a durable peace. We and other surplus-producing nations must do our very best to make the fullest constructive use of our abundance of agricultural products to this end. These past 4 years our special export programs have provided friendly food-deficit nations with \$4 million worth of farm products that we have in abundance. I am setting steps in motion to explore anew with other surplus-producing nations all practical means of utilizing the various agricultural surpluses of each in the interest of reinforcing peace and the well-being of friendly peoples throughout the world—in short, using food for peace.

In a cold war that may grow hot before it grows colder our surplus is our



greatest weapon—our farms our greatest arsenal.

#### AGRICULTURE CAN BE A BRIGHT PICTURE

I am optimistic about the future of the American farmer. I am not gloom ridden when I am told that while production per acre soars and farm units expand, the number of farmers grows less and less. When I am told that farm employment has plunged to the lowest level since the Department of Agriculture began keeping records on the subject nearly 50 years ago, I, too, am concerned. It is significant that in the report issued by the Department of Agriculture it is stated that in the last full week of January only 5,269,000 persons were employed on farms. We must recognize the fact that this reflects an inevitable trend to expand farms to a size that will support a family operation, under modern conditions. Just how far this trend will lead depends on the kind of farm legislation we enact. We recognize the inherent dangers faced by the family-unit farm if the trend is not arrested.

The number of farmers may decline and percentagewise he may not be as large a part of our burgeoning population as in the past, but mark these words carefully, America will always find that on the Nation's farms will be found the characteristics, the spirit, the qualities, and the resourcesfulness that makes our country great. In the course of our history the American Farmer has always been able to outpull anybody else when it came to lifting oneself by his own bootstraps. As proved in the proposals offered by practical, realistic farmers, they still are lifting their weight with a firm grip on the straps.

I take my hat off, especially, in paying my respects to our commodity groups for their constructive, self-disciplined approach to their problems. The dominant note in all their programs is their desire to be free of dependence on Government and all outside sources. This was illustrated superbly by the National Association of Wheat Growers at their Denver convention this past December when they recommended a shift from acreage allotment to bushel limits for controlling wheat production. Such a proposal—and it is incorporated in my bill—means that the wheat growers are restricting their own possibilities for immediate gain in view of what they can produce with the improved fertilizers, better varieties and other technological advances now available to them. This we must acknowledge is a splendid example of self-discipline. No one can charge the wheatgrowers with adhering to a "have your cake and eat it too" philosophy.

The farmer, rather than his critics, is providing a great measure of common-sense in approaching the farm problem. He will continue to feed his critic with the most wholesome and the biggest supply of food the world has ever known. But in the process, the farmer insists on enjoying a standard of living on a level maintained by his brothers in town and perhaps almost as good as that enjoyed by his critics.

We have learned that a healthy agriculture is essential to the American econ-

omy. Let us be guided by what we have learned. May it never again be necessary for the wheat farmers to sell their wheat for a pittance—or, moved by hopelessness and wrath, to dump it angrily in the street.

Mr. President, in the May issue of Capper's Farmer, published at Topeka, Kans., which is a magazine inaugurated by a former Member of the Senate, the distinguished late Senator Arthur Capper, there is published an editorial entitled "Let's Try Domestic Parity." It is a very timely editorial, and I therefore ask to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### LET'S TRY DOMESTIC PARITY

Capper's Farmer believes the domestic parity plan for wheat should be tried in an effort to solve our serious wheat dilemma. We urge that Congress pass the domestic parity bill and that President Eisenhower reconsider and sign it.

Honestly, we don't know whether domestic parity is the answer to the wheat industry's worsening over-production problems. But we do know this: The present system of acreage allotments and marketing quotas has failed. So it's time to try something else—if for no other reason than a new plan would offer hope, a virtue the present program sadly lacks.

Last year our efficient wheat farmers raised 1.5 billion bushels of wheat—about three times what we need for domestic food requirements. And some 1.3 billion bushels are piled up in Government storage bins.

If we don't use courage and imagination, the accumulating wheat surplus will smother wheat farmers. What's more it will knock the bottom out of feed-grain prices and break the backs of livestock farmers.

As we understand the domestic parity plan, here's how it would work:

It would allow the wheat crop to move in an open market and provide the grower a parity price for the portion we need for domestic consumption.

It would replace acreage allotments and marketing quotas with national marketing allotments in bushels. The national allotment would be based upon domestic wheat needs for food, plus estimated exports.

(Had the plan been in effect in 1958, the national allotment would have been 915 million bushels—485 million for domestic food needs and 450 million for export. To work off the CCC stocks, the allotment would have been reduced by 75 million bushels.)

Domestic parity would be self-financing. Each grower would be issued "domestic food-use certificates" for his share of the domestic allotment. Each miller or processor of wheat would purchase certificates of the amount of wheat he processed for food.

Cost of the certificates would become a part of the cost of the processed foods and would not be paid by the Government.

To be eligible to participate in the domestic parity allotment, the grower would have to put at least 20 percent, but not more than 30 percent, of his base acreage in conservation reserve.

At least 500 million bushels of the CCC stocks would be placed in a national defense stockpile. This would be the responsibility of the Government and would be held at Government expense.

As their part of the bargain, growers would reduce the national allotment by 75 million bushels a year until the surplus above the 500-million-bushel reserve has been absorbed.

Biggest argument for domestic parity from the public standpoint is that it would save

the Government a half-billion dollars a year. That figure includes loss on CCC stocks, reduction in storage charges, elimination of export subsidies, and savings in administration costs.

Some of the objections offered to the plan we think are unfounded; some even unfair. Here are three most frequently raised objections:

That it would become a bread tax. Answer: Cost of the domestic food-use certificates would replace the present cost of Government price supports.

For the wheat that goes into a loaf of bread, the grower gets about 2½ cents under the present price-support system. Domestic food use certificates would add less than a penny to the cost of wheat in the bread loaf. And this would be more than offset by eliminating the present supports paid out of taxes.

Opponents say the Corn Belt fears the domestic parity plan would put wheat into greater competition with corn and other feed grains. Answer: The whole domestic parity plan is directed toward reducing wheat production without increasing feed-grain acreage. Only by reducing his basic wheat acreage with conservation reserve could the grower participate in the plan.

If participation in the plan were high, it is estimated 12 to 14 million acres would come out of grain production in the Wheat Belt. That would cut total feed-grain production 5 million to 8 million tons a year.

That's small in comparison to total feed-grain output. But it's big when we consider the threat of wheat to other feed grains if we should remove allotments and let wheat prices drop to feed-grain levels.

Other countries would accuse us of dumping our surplus. Answer: We would allot only as much as we could normally expect to export. Nonquota wheat would be ineligible for export. Furthermore we would get away from the presently subsidized export movement, which in itself creates pressure to dump or sell as cheaply as possible.

Domestic parity is not a scheme trumped up overnight. Both the National Grange and the National Association of Wheat Growers have put years of effort in developing the plan. They offer it in all sincerity as a sensible and dignified way back to realistic wheat production. We believe wheat farmers will want to try it.

THE EDITORS.

Mr. ELLENDER. Mr. President, I yield myself 15 minutes.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, with the understanding that the time for the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, Congress today is faced with a most vexing problem—the problem of finding ways and means to reduce wheat surpluses. Efforts were made last year by the Committee on Agriculture and Forestry to deal with this problem. Unfortunately, we were unable to make any progress in that direction.

Last year, during the closing days of the 85th Congress, a bill dealing with corn, feed grains, cotton, and rice was passed. This bill was acceptable to the



administration. During discussion of that bill, the committee concluded that since there was a great difference of opinion as how best to solve the wheat problem, it would be better to postpone action on that commodity until this year.

Soon after Congress convened in January, the President sent to the Congress a message in which he indicated what he thought should be done with respect to wheat, tobacco, and peanuts. He touched on other phases of the farm problem, and made certain suggestions in regard to them.

Soon after the message was referred to the Committee on Agriculture and Forestry, the committee convened, and invited the Secretary of Agriculture, Mr. Benson, to appear before it. During his appearance before the committee, Secretary Benson promised to present to the committee his Department's version of what should be done with respect to wheat. But, unfortunately, no specific bill was sent to the committee. What we got were more or less highly generalized objectives ultimately followed by specific, but alternative suggestions as to programs.

The first alternative proposed was relaxation of controls for the years 1960, 1961, and 1962. In short, the Secretary asked that we give him either the authority to fix support prices at from 75 percent to 90 percent of the average market price of wheat for the past 3 years, or a support price ranging from zero to 90 percent of parity, with the specific support level to be left completely to his discretion.

With respect to acreage allotments, it was suggested that the present 55-million-acre national minimum be more or less withdrawn, and that the Secretary be given the right to increase this minimum by as much as 50 percent, if he so desired. It was also suggested that after 1963 acreage allotments be entirely removed. Other suggestions were made—for instance, to do away with the 30-acre limitation under which farmers can plant that many acres in wheat if the wheat is consumed on the farm.

The second alternative proposed by the Department was a tightening of controls, in complete contrast with its suggestion of removal of all controls. Under the second alternative, price supports would be either 90 percent of a 3-year average price, or from zero to 90 percent of parity. Authority to fix specific support levels would be left to the Secretary, irrespective of the amount of wheat on hand. He would be given more or less carte blanche authority to fix price supports at his discretion. The second alternative also suggested that the 55-million-acre minimum national acreage be repealed, and the national allotment be reduced—under the formula suggested—to approximately 40 million to 45 million acres of wheatlands.

Then a provision was suggested in regard to the penalty for overplanting.

Many wheat farmers have, under the law, planted wheat in excess of their quotas, and have paid a penalty on the excess wheat produced. But instead of being realistic in regard to these penalties, by forcing a farmer to pay a pen-

alty in line with the production derived from the excess acres, the penalty was based on the average amount of wheat produced per acre in the county or the area where the farm was located. Thus, in the past, it has been entirely possible for a farmer to plant 100 acres in excess of his quota and, if the average yield in his area was 12 bushels an acre, his penalty would be computed at that rate, even though he produced 30 bushels on each of his excess acres.

In his alternative suggestion, the Secretary suggested that the penalty provisions of the law be tightened. I wish to say this is done in the bill which is now before the Senate.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I appreciate very much the statement the Senator from Louisiana is making in regard to the production of feed wheat. I have before me the Agricultural Adjustment Act of 1938; and, as I read the bill which has been reported by the committee, it does not provide for any change in the provision in regard to the acreage which does not exceed the 30-acre limitation. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CARLSON. The bill retains the 30-acre limitation for feed wheat, does it not?

Mr. ELLENDER. That is correct.

Mr. CARLSON. I wonder whether the chairman of the committee will be willing to consider an amendment to strike out the section which deals with the 30-acre limitation, and thus permit a farmer to grow any amount of wheat he wishes to grow for the 1960 and 1961 crops. As I understand the bill, it is a stopgap measure, a temporary measure for a 2-year period.

Mr. ELLENDER. Yes; it is.

Mr. President, I wish to say that the proposal to do what the Senator from Kansas has suggested was considered by the committee. The committee refused to accept it. Furthermore, I wish to say to my good friend, the Senator from Kansas, that, as I shall indicate in a moment, the committee spent many hours in simply trying to get agreement on a bill to report to the Senate. I am frank in stating that the bill now before the Senate is the best which could be obtained. We discussed the very provision the Senator from Kansas is now making; there was opposition to it. If it had been included in the bill chances are that the present bill would not have been reported to the Senate from the committee.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I sincerely hope the distinguished chairman of the Committee on Agriculture and Forestry will not think I am critical of the bill he has reported from the committee. Of course, I do not approve of many of its features; but at the same time I realize how difficult and complicated is the subject with which we are dealing at this time on the floor of the Senate; and I commend the Senator from Louisiana for having taken

the time and for having had the patience to listen to the conflicting views which were presented on a problem of such magnitude.

Mr. ELLENDER. The Senator from Kansas might well emphasize the word "patience," because a great deal of it was required.

Mr. CARLSON. I certainly do so, Mr. President.

Mr. ELLENDER. A great deal of patience was required even to get the committee to act on the bill which is now before the Senate.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I appreciate the courtesy of the Senator from Louisiana in yielding in connection with the matter of the feeding of wheat to animals on a man's own farm—a matter which received so much unfavorable publicity in connection with the experience of Mr. Yankus. I do not like to see such a situation develop; neither do I like to have the Congress enact legislation under which criminal penalties are imposed on a farmer for wheat which he grows to feed to animals on his own farm. That is why I have brought up this question.

Mr. ELLENDER. Does the Senator from Kansas desire to eliminate any limitation on the acreage which could be planted to wheat to feed to animals or to use for human consumption on the farm?

Mr. CARLSON. It was my hope that, if we changed the law, the farmers would be able to grow the wheat they wanted to grow for animal feed at home. However, I have brought up the matter for debate.

Mr. ELLENDER. Of course the Senator from Kansas has the privilege of submitting an amendment. I do not know what the Senate will do about it; but I certainly think I should tell him of the attitude of the committee with respect to his proposal.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I wish to commend the chairman of the committee, who has made persistent efforts to try to get a wheat bill reported by the Senate Committee on Agriculture and Forestry and have it acted upon by the Senate previous to the wheat quota vote in June. As all Senators know, an announcement has to be made by the first of June.

The committee has had a very difficult, uphill job. Every farm organization has a different viewpoint. For the most part, the organizations want their programs or none at all. The Secretary of Agriculture has still some other views, and he is as immovable as the rocks; and he wants his program or none at all.

After 2 months of efforts by the chairman of the committee, I am not so sure that we shall even get a bill through Congress. If every farm organization is able to hold its little flock together, we shall not be able to pass any bill, and we shall



wind up with a worse situation by the end of next year than we have now.

I was very much disappointed in the report on the bill submitted by the Secretary of Agriculture—a completely erroneous report. No one who has an iota of knowledge of the wheat problem would submit a report of that kind. Most of the conclusions are completely erroneous and deceiving. What kind of attitude is that? This is a field in which the Congress of the United States is trying to legislate, and it is an almost impossible situation.

Mr. ELLENDER. The Senator from North Dakota is entirely correct. He will recall that on 2 or 3 occasions we called upon the officials of the Agriculture Department to sit with us, in order to try to get a bill that might be acceptable to the Department. But the position taken by the Secretary of Agriculture, as I would interpret it, was, "Give me what I want or else get nothing."

Mr. YOUNG of North Dakota. I do not think there could be found any group of grain traders in the United States or any group of actual farmers that would agree with the conclusions of the Department of Agriculture at all. It is the most absurd, ignorant statement I have seen issued. It is inconceivable that such a statement could come from the Department of Agriculture. I shall deal with it point by point at a later time today.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. I wish to say to the distinguished chairman of the Committee on Agriculture and Forestry that he has been laboring, as he knows, under severe handicaps. Some of the difficulties were mentioned a while ago by the Senator from North Dakota [Mr. Young].

The most confusing situation the committee had to face in the several months we were laboring on this bill arose from the divergencies of opinion on the part of responsible leaders of farm organizations, who themselves, in their own judgment, could see only certain phases of their programs.

The PRESIDING OFFICER. The time yielded to the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I ask for 10 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 more minutes.

Mr. SCHOEPPPEL. I wish to ask the distinguished Senator from Louisiana if it is not a fact that this is a compromise of the rankest sort, with the hope that we can get some legislation enacted by Congress before the deadline.

Mr. ELLENDER. The Senator is entirely correct. I will demonstrate that fact in a few moments, and present to the Senate the various steps we took in order to get some kind of legislation dealing with wheat before the Senate.

Mr. SCHOEPPPEL. I may say to the distinguished Senator I hesitated to vote for this measure, but I wanted it to come to the floor of the Senate for a discussion,

frankly, and openly, as we are trying to do. However, there is one phase which was presented by the Senator from North Dakota [Mr. Young] that the Senate ought to consider if we are going to pass this bill, or another proposal. The Senator from North Dakota offered in committee a proposal on the basis of 75 percent of parity on a 10-percent reduction in acreage. I think that is the best and most practical approach to this problem. By providing 75 percent supports under the new parity formula, \$1.77 a bushel, many farmers, I believe would be willing to reduce their production by 10 percent. The committee rejected this approach. I feel the committee was in error, for there must be some inducement offered to have a great majority of farmers feel they can reduce their acreage.

One thing is certain—we cannot continue to cut acreage and the support price at the same time and have the average farmer continue to live, especially under present cost of materials, and supplies of all kinds.

Even with this change, if made, this measure is far, far from a good bill. I fear, unless that proposal is included, that much support, even in a spirit of compromise would be lost.

Mr. ELLENDER. I thank the Senator. At this point, Mr. President, I ask unanimous consent to place in the RECORD a résumé of the administration's wheat proposals.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

#### RÉSUMÉ OF ADMINISTRATION WHEAT PROPOSALS ALTERNATE I. ABANDONMENT OF CONTROLS

- (1) Price support:
  - (a) For 1960, 1961, and 1962: 75 to 90 percent of previous 3-year average market price or 0 to 90 percent of parity.
  - (b) For 1963 and thereafter: 90 percent of previous 3-year average market price or 0 to 90 percent of parity.
- (2) Acreage allotments:
  - (a) For 1960, 1961, and 1962: Authorize Secretary to increase national allotment by up to 50 percent.
  - (b) For 1963 and thereafter: Discontinue allotments and quotas.
- (3) Remove 30-acre limit on feed wheat exemption.

#### ALTERNATE II. TIGHTENING OF CONTROLS

- (1) Price support at 90 percent of previous 3-year average market price or 0 to 90 percent of parity.
- (2) Repeal 55 million acre minimum.
- (3) New national allotment formula:
  - (a) If carryover is not less than 500 million bushels, the national allotment would be that calculated to produce quantity equal to domestic consumption and exports for dollars (not including Public Law 480 exports)—about 40 to 45 million acres.
  - (b) If carryover is less than 500 million bushels, the national allotment would be that calculated to produce a quantity, which with carryover and imports would provide a normal supply.
- (4) Penalty imposed on actual yield of excess acres, (double normal if actual production not shown).
- (5) Prohibit adjustment of planted acres to comply with allotment where excess acreage exceeds larger of (i) 10 percent of allotment or (ii) 3 acres.
- (6) Increase penalty to basic loan rate.
- (7) Repeal 15-acre and 200-bushel exemptions.

(8) Repeal 30-acre limit on feed wheat exemption.

(9) Base eligibility to vote in referendum on past production of wheat.

Mr. ELLENDER. Mr. President, pursuing the subject introduced by my friend from Kansas a moment ago, just as soon as the Agriculture Committee received the President's agricultural message, it asked for the views of Mr. Benson. He waited several weeks before he sent us his proposals as to what should be done about wheat. Within a matter of days after we received those proposals, the committee began holding hearings which continued for over a week, and heard the views of representatives from all farm organizations and the Department.

The committee was unable to agree on any particular proposal made by any of the farm organizations, or even by the Department. In an effort to reach agreement, a subcommittee was ordered to begin new efforts to achieve a wheat bill. It prepared its own version of what ought to be done, a version, I must add, which, while far from perfect, did manage to receive some support by the full committee membership.

The full committee then proceeded to hold hearings on the committee print. Later the committee sat for 4 successive days, as I recall, trying to reach a conclusion as to what ought to be done.

Of course, during the discussions, there was a great deal of give and take, so that we could arrive at a bill that would receive a majority vote of the committee. This is the bill which is now before the Senate and, in my judgment, it appears to be the best one that could be presented.

I am not going into detail, but at this point I ask unanimous consent to have printed in the RECORD, a résumé of committee consideration of wheat legislation, in order to show the efforts put forth by the committee to report the bill which is now before the Senate.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

#### COMMITTEE CONSIDERATION OF WHEAT LEGISLATION

January 29, 1959: President's message on agriculture received by Congress.

February 4, 1959: Committee met and chairman reported he had invited the Secretary of Agriculture to meet with the committee on that day, but that the Secretary had prior commitments. Committee discussed date for hearings and since many Members of the Senate would be out of the Senate on the week of February 9, it was decided to hear the Secretary the week of February 16.

February 16 and 17, 1959: Secretary of Agriculture appeared before the committee to explain the President's program and was requested to submit proposal in bill form.

March 12, 1959: Administration proposals received in bill form.

March 13, 1959: Committee met in special executive session, discussed administration proposal and decided to make immediate arrangements for wheat hearings.

March 18, 1959: Executive session called to consider wheat bills, but a quorum was not obtained.

March 19 through 25: Hearings on various wheat legislative proposals held. Witnesses presented divergent views.



April 11, 1959: Confidential committee print presented for consideration by committee. Would—

(1) Reduce farm acreage allotments by 5 percent of first 200 acres, 10 percent of acreage over 200 acres;

(2) Place penalties on an actual yield basis;

(3) Increase penalty rate to 65 percent of parity;

(4) Reduce 15-acre exemption to 10 acres; and

(5) Limit wheat price support to \$35,000 per person per year.

April 15, 1959: Executive session. Discussed committee print and suggested changes.

April 16, 1959: New committee print issued. New print differed from previous print in—

(1) Was restricted to 1960 and 1961 crops;

(2) Reduced price limitation to \$25,000 per person per year; and

(3) Repealed authority for noncompliance supports on any crop.

Agreed to hold hearings on this print.

April 22, 1959: Hearings held on committee print of April 16. Divergent views again expressed.

April 29, 1959: Committee met in executive session. Discussed wheat and ordered a new committee print.

April 30, 1959: Committee Print No. 2 issued. Print No. 2 differed from Print No. 1 in that it would—

(1) Reduce farm acreage allotments by 7 percent of the first 200 acres and 12 percent of the balance;

(2) The penalty rate would equal the basic level of price support;

(3) The 15-acre exemption was reduced to the smaller of (i) 12 acres, or (ii) the highest acreage planted to wheat in any one of the 3 preceding years;

(4) The limit on wheat price support was set at \$20,000 per person per year; and

(5) Permanent repeal of noncompliance price support was provided for.

April 30, 1959: Committee considered wheat legislation in executive session, ordered the preparation of a new committee print, and ordered the reporting of a joint resolution to defer the proclamation of quotas and allotments.

April 30, 1959: Senate Joint Resolution 94 reported to Senate to defer proclamation of quotas and allotments.

May 2, 1959: Committee Print No. 3 issued. Would—

(1) Give each farmer a choice of (A) support at 65 percent of parity with wheat acreage equal to the farm allotment, (B) 75 percent of parity with not more than 90 percent of the allotment, and (C) 80 percent of parity with not more than 80 percent of the allotment;

(2) Limit wheat price support to \$35,000 per person per year;

(3) Put penalties on an actual yield basis;

(4) Increase the penalty rate to the choice (B) support price (75 percent of parity);

(5) Reduce the 15-acre exemption to 12 acres and restrict it to farms which received wheat in 1957, 1958, or 1959; and

(6) Repeal authority for noncompliance price support.

Except for repeal of the noncompliance support provision, the print would be effective only to the 1960 and 1961 crops.

May 5, 1959: The committee considered wheat legislation and informal report of Department on Committee Print No. 3 in executive session and agreed that a special subcommittee meet with representatives of the Department at 3 p.m. that afternoon to discuss wheat.

May 5, 1959: Special subcommittee met with Department representatives, but failed to agree on a bill.

May 6, 1959: Committee in executive session ordered the preparation of another committee print.

May 7, 1959: Committee Print No. 4 issued. This print would—

(1) Raise the support price to 85 percent of parity and reduce farm allotments 20 percent;

(2) Limit wheat price support per person per year to \$35,000;

(3) Put marketing penalties on an actual yield basis;

(4) Raise the penalty rate to the basic level of price support;

(5) Reduce the 15-acre exemption to 12 acres and restrict it to farms producing wheat in 1957, 1958, or 1959;

(6) Remove the 30-acre limitation on the feed-wheat exemption; and

(7) Repeal the authority for noncompliance price support for any commodity.

Except for the repeal of noncompliance price support, the print would have been effective only to the 1960 and 1961 crops of wheat.

May 11, 1959: Senate Joint Resolution 94 passed the Senate.

May 12, 1959: Senate Joint Resolution 94 passed House.

May 15, 1959: Senate Joint Resolution 94 signed by President.

May 15, 1959: Committee in executive session ordered wheat bill reported.

May 18, 1959: S. 1968 reported under authority of the order of the Senate of May 15.

Mr. ELLENDER. Mr. President, this bill follows the theories advocated by the Secretary of Agriculture, and if these theories are correct, should reduce production by about 120 million to 200 million bushels per year, depending, of course, upon which selection is made by the wheatgrowers under the provisions of the bill. The program would be in effect for 2 years, covering the 1960 and 1961 crops.

Let me describe very briefly the chief provisions of the pending bill. Farmers who choose to plant their full acreage allotments, land on a 55 million acre minimum national allotment, would receive price support at 65 percent of parity.

If, however, a farmer agrees to cut his allotment by 20 percent, he would get a price support of 80 percent of parity.

We have stiffened the penalties on wheat produced on acreage in excess of allotments. The penalty is realistic, in that it would be applicable to all wheat actually produced on excess acreage, without regard to what may be the average yields in the area. If the production on the farm, let us say is 30 bushels

per acre, but average production in the area is only 20 the penalty will be based on 30 bushels per acre, not 20 bushels. Furthermore, the penalty assessed would not be 45 percent of the support price, as is now the law, but 100 percent of 65 percent of parity.

We also reduced the 15-acre exemption to 12 acres, and specified that no farmer could have more than one 12-acre exemption. What we had in mind was preventing farmers from going around the countryside and renting 12 acres in one spot, 12 acres in another spot, ad infinitum. He farmer is limited to 12 acres, and cannot get as many 12-acre allotments as he may desire.

The bill also provide that farmers who did not take advantage of the existing 15-acre provision in any one year of the crop years 1957, 1958, or 1959 would not be entitled to a 12-acre allotment in 1960 or 1961.

The bill eliminates the 200-bushel exemption.

Mr. President, that about sums up what the bill contains. I hope the wheat farmers of the country are realistic enough to realize that something must be done to reduce production and begin reducing the wheat surplus if the wheat program keeps on as it is now, and if production is such that surpluses continue to pile up, the entire farm program will be placed in jeopardy.

My hope is that, if this bill is enacted into law, wheat farmers will abide by its spirit, as well as its specific provisions.

I am hopeful wheat farmers will choose the 65 percent of parity alternative. If they do, then, according to the theories advanced by Mr. Benson, production will be reduced and consumption increased.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I yield myself 1 additional minute.

Mr. President, I ask unanimous consent to have four tables printed in the RECORD.

The first table shows CCC losses and costs related to disposition and exportation of wheat and wheat flour by fiscal years.

The second shows CCC price support investment in wheat and wheat flour.

The third shows the actual acquisitions and dispositions of wheat under the CCC price support program by fiscal years from 1951 to 1958, and the estimated acquisitions and dispositions for 1959 and 1960.

The fourth table shows wheat production, yield per acre, domestic consumption, exports, 1951 through 1958.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:



*Wheat and wheat flour CCC losses and costs related to disposition and exportation by fiscal year*

[In thousands of dollars]

Fiscal year ended June 30—	Program losses <sup>1</sup>		CCC donations	Cost of International Wheat Agreement <sup>2</sup>	Public Law 480 title I <sup>2</sup> net costs <sup>3</sup>	Public Law 480 title II <sup>2</sup> total costs
	On price support sales	On commod- ity export program				
1951.....	18,990			180,371		
1952.....	7,719			171,312		
1953.....	18,896			130,786		
1954.....	71,280	26,087		58,975		
1955.....	126,976	49,575		99,718	85,800	56,115
1956.....	88,251	69,576	11,087	92,313	216,600	33,181
1957.....	91,134	133,176	43,983	90,071	214,100	43,645
1958.....	40,563	85,000	86,128	82,418	319,600	40,145
1959 (estimate).....	71,832	68,200	86,190	64,773	(4)	39,352
1960 (estimate).....	100,103	71,000	81,250	(5)	(4)	37,905

<sup>1</sup> CCC reimbursed by capital restoration.

<sup>2</sup> CCC reimbursed by special appropriations.

<sup>3</sup> Total cost less foreign currency collected.

<sup>4</sup> No estimate available.

<sup>5</sup> Agreement in process; no estimate made.

*Wheat and wheat flour: CCC investment in price support program*

Fiscal year ended June 30—	CCC investment at end of fiscal year	
	Quantity	Cost value
	Thousand bushels	Thousand dollars
1951.....	207,659	505,320
1952.....	165,628	411,124
1953.....	514,399	1,284,210
1954.....	865,641	2,169,108
1955.....	990,696	2,579,225
1956.....	995,847	2,625,655
1957.....	838,146	2,294,243
1958.....	872,445	2,371,385
1959 (estimate).....	1,239,000	3,074,000
1960 (estimate).....	1,442,000	3,469,000

USDA

*Wheat: Acquisitions and dispositions under CCC price support program, by fiscal year, 1951-58 actual and 1959 and 1960 estimated*

[In thousands of bushels]

Fiscal year ended June 30—	Price support	
	Acquisitions	Dispositions
1951.....	54,768	185,995
1952.....	85,614	138,708
1953.....	385,667	58,979
1954.....	432,835	128,243
1955.....	452,751	251,416
1956.....	260,812	286,037
1957.....	147,651	274,428
1958.....	155,777	144,802
1959.....	501,697	137,000
1960.....	370,000	160,760

*Wheat production, yield per acre, domestic consumption, exports*

[Busbels]

Year	Pro- duction	Yield per acre	Consumption		
			Domes- tic use	Ex- ports	Total
	Millions		Millions	Millions	Millions
1951.....	988	16.0	689	475	1,164
1952.....	1,306	18.4	660	318	978
1953.....	1,173	17.3	634	217	851
1954.....	984	18.1	611	274	885
1955.....	935	19.8	601	346	947
1956.....	1,004	20.2	587	550	1,137
1957.....	951	21.7	588	402	990
1958.....	1,462	27.3	619	450	1,069

Mr. WILLIAMS of Delaware obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. Would the limitation apply to all commodities?

Mr. WILLIAMS of Delaware. It would.

Mr. DIRKSEN. Mr. President, this matter is of such importance that I believe we ought to have a quorum present.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time necessary for the call of the roll not be charged to either side.

Mr. HUMPHREY. Mr. President—

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. I should like to know whose time would be used for the call of the roll.

Mr. DIRKSEN. The time would not be charged to either side.

The PRESIDING OFFICER. The request is that the time needed for the call of the roll be not charged to either side.

Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, if the distinguished Senator from Delaware [Mr. WILLIAMS], who has the floor, will yield for 2 minutes, with the understanding that he shall not lose his right to the floor, I should like to yield 2 minutes on the bill to the distinguished Senator from South Dakota [Mr. CASE].

The PRESIDING OFFICER. Does the Senator from Delaware yield with that understanding?

Mr. WILLIAMS of Delaware. I yield; but first I wonder if the yeas and nays cannot be ordered on my amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. I now yield 2 minutes on the bill to the Senator from South Dakota [Mr. CASE].

OTTAWA FOR SUMMIT  
CONFERENCE

Mr. CASE of South Dakota. Mr. President, if the necessary progress is made at Geneva, a summit conference of the great states will be held.

In the belief that the necessary progress will be made, Mr. President, I venture the suggestion today that the city of Ottawa, capital of the Dominion of Canada, be selected as the site for the meeting.

In support of this suggestion I cite these points:

First. Ottawa is near the home of the United Nations in New York City. Clerks

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Illinois desire to ask unanimous consent that the time for the call of the roll not be charged to either side?

Mr. DIRKSEN. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Connecticut [Mr. BUSH] and myself I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 5. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed \$35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation."



interpreters, technical advisers, libraries and files would be readily available for each nation and on every subject.

Second. The facilities of a capital city of a great country would be most helpful. I have in mind meeting halls, committee rooms, communications, hotels and transportation.

Third. For security, Ottawa not only would have the means available to a seat of government but individual nations could utilize whatever they provide for their delegations at UN headquarters.

Fourth. Ottawa would be readily accessible not only for the heads of state but also for staffs, reporters, and visitors.

Fifth. Finally, delegates accustomed to one or the other of the principal internationally used languages, French or English, would find no language problem. The Canadian Parliament which meets in Ottawa is bi-lingual. Thousands of the city's residents speak French as well as English. And President De Gaulle could find himself very much at home at a great hotel which invites its guests and advises them with signs in French.

Mr. President, this suggestion of Ottawa for the summit conference is respectfully called to the attention of the State Department in the hope that Secretary Herter may find it useful in current negotiations.

#### WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price-support program.

The PRESIDING OFFICER. The Senator from Delaware has 15 minutes on his amendment. How much time does he desire to allot to himself?

Mr. WILLIAMS of Delaware. I yield myself 5 minutes. I offer the amendment on behalf of the Senator from Connecticut [Mr. BUSH] and myself. The purpose of it is to limit price support assistance on all crops, not only wheat, but also cotton, rice, peanuts, tobacco, corn, and all combinations of such crops, which are grown on any individual farm or any corporate farm.

Several instances have been pointed out to the Senate of substantial payments which have been going to corporate type operations. I do not believe that any agricultural bill of any description, which is passed in the name of the small American family-type farmer can justify payments of several hundred thousand dollars or even millions to large corporate farmers.

Only a few weeks ago there was placed in the RECORD an instance of one corporation having received a little more than a million and a half dollars in support payments in one calendar year. I was interested to note, going back in the record, that the same corporation, the Delta Pine & Land Co., of Scott, Miss., had received a little more than \$9½ million in price support loans on the cotton and rice which the corporation had grown in the past 10 years. In addition to that, it received several hundred thousand dollars in payments from the Federal Treasury for not growing rice and cotton. The interesting part of it is that these par-

ticular payments went to a company which is not even American-owned. It is an entirely British-owned corporation. Yet we have been subsidizing their operations in the name of the American farmer.

I do not believe that there can be any possible justification for any such payments being made out of the Federal Treasury.

I have placed in the RECORD evidence to show that in the year 1957, 10 companies received price support loans of more than \$3½ million. At the same time the same 10 companies received \$557,000 in soil bank payments for not growing wheat, cotton, and corn on 10,000 acres which they own. In other words, we paid them a little more than a half million dollars for crops they did not grow and paid them \$3½ million in price support payments for crops they did grow.

I believe that the time is long past due when this situation must be corrected. I have on several occasions offered a similar amendment. Although they were adopted by the Senate, they were always rejected by the House. It is encouraging to note that the House this week did go on record as endorsing the principle of limiting the amount of the loans which can be made.

I believe that my amendment will unquestionably limit all such payments to any individual corporation, firm, or partnership, and so forth. It will limit the amount that they can get on any price support loan or purchase agreement, or any combination of them, on all crops being produced by the same person.

I certainly hope that the amendment will be overwhelmingly adopted by the Senate.

Mr. BUSH. Mr. President, will the Senator yield to me some time?

Mr. WILLIAMS of Delaware. I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am happy to join the Senator from Delaware in the sponsorship of this particular amendment, because I believe it will improve the proposed legislation very substantially if the bill is passed.

My concept of the agricultural support program has always been what it was originally intended to be, namely, a guarantee to farmers against disaster. That is the same principle I was in favor of some 25 years ago, when the farmers faced disastrous situations, and I am still sympathetically disposed toward that type of ultimate protection and guarantee against disaster.

Mr. President, I have long been opposed to legislation which is designed to guarantee prosperity to the farmer. I do not believe we should single out in our economy one element to which the Government itself will guarantee prosperity by buying enough of its product to make the guarantee good.

So, while I do not believe, necessarily, that the amendment offered by the Senator from Delaware, in which I enthusiastically join him, is the ultimate answer to the farm problem, I do believe that it will have the effect of improving the legislation if the bill should pass.

I intend to support the amendment to be offered later by the distinguished Senator from Indiana [Mr. CAPEHART] which I believe comes even more to grips with the desperate situation we face. The surpluses which are piling up have catastrophic possibilities for the economy of the United States. Any amendment which is designed to limit or cut back the surpluses should have the support of the Senate.

For that reason, and believing that the amendment of the Senator from Delaware is designed to reduce production and reduce surpluses, I enthusiastically support the amendment.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

The PRESIDING OFFICER. How much time does the Senator from Delaware yield to the Senator from Illinois? The Senator from Delaware has 8 minutes remaining.

Mr. WILLIAMS of Delaware. I believe the Senator desires to ask a question. I yield myself 5 minutes. I yield to the Senator from Illinois.

Mr. DIRKSEN. I should like to ask the Senator from Delaware whether the \$35,000 limitation would be applied to the individual farmer and to every commodity, so that no matter what he grows, the top amount he could receive would be \$35,000.

Mr. WILLIAMS of Delaware. That is correct.

Mr. DIRKSEN. Would it apply to crops now growing, or is it postdated, so that it will apply only next year?

Mr. WILLIAMS of Delaware. It will apply only to 1960 production and years thereafter. The reason for that is that the crops which are presently planted, whether we approve of the payments or not, could be interpreted as having been planted under a law wherein we have a contractual obligation with the farmers who planted them. Therefore, the amendment is applicable to all crops which will be planted for the 1960 production.

Mr. DIRKSEN. Therefore, it could not be said that the amendment would involve a breach of faith with those who have already moved under existing law and the limitations that apply.

Mr. WILLIAMS of Delaware. No; it could not. That is why the amendment is so dated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. In the case of farmers pooling their crops in a cooperative marketing association, is it intended to apply the limitation to each farmer or to the association?

Mr. WILLIAMS of Delaware. To each farmer.

Mr. AIKEN. To each farmer.

Mr. WILLIAMS of Delaware. Yes. If there is a group of farmers operating as a cooperative, it would apply to each individual farmer as a part of the association, because the fact that two or three or a dozen farmers got together in an association it would not mean that the amendment would limit their individual total. The limitation would apply



to each farmer. What they receive through the cooperative, however, would count against them as individuals.

Mr. CASE of South Dakota. Mr. President, I wonder whether the Senator would be good enough to read the definition of person in the amendment.

Mr. WILLIAMS of Delaware. I read from the amendment:

The term "person" shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

Mr. CASE of South Dakota. That is a very good statement.

Mr. WILLIAMS of Delaware. It was the intention to provide that they could each get the maximum under the limitation, but it was also intended to provide a safeguard so that they could not get more.

We want the amendment to be fair to each farmer but at the same time we do not want to have any loopholes.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SCOTT. In the House at this time I note that a measure which also touches on farm price supports is under discussion, and that measure would limit loans to \$50,000. However, as I read it, there would be nothing to prevent a farmer or a farm corporation from applying for more than one loan. Therefore the limitation seems to me to be illusory, if not evasive.

Is the \$35,000 limitation in the Senator's amendment so phrased that a corporation would not be permitted to divide its holdings and get another \$35,000 on some other part of the holdings?

Mr. WILLIAMS of Delaware. The amendment is worded so that that definitely cannot be done.

Mr. SCOTT. I thank the Senator. Would the Senator please read the first sentence?

Mr. WILLIAMS of Delaware. The first sentence reads:

The total amount of price supports extended to any person in any year's production of agricultural commodities.

In other words, it is the total amount of all agricultural commodities—all of them together. It is on the basis of the production of each individual. The amendment is definitely worded so that it could not be applied and is not intended to be applied otherwise. I had that thought in mind when the provision was worded in this manner.

Mr. SCOTT. I thank the Senator. His explanation permits me to support the amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CAPEHART. Will the amendment apply in an instance where a landowner leases his land to a tenant under an arrangement whereby the landowner is to receive 40 percent of the corn grown, and the tenant 60 percent? Would each of them be entitled to a \$35,000 loan?

Mr. WILLIAMS of Delaware. No; they would not. The last sentence of the amendment is worded in such a manner as to prohibit the practice, which is developing under the land bank limitation, of landowners subdividing their farms in order to get around the limitation. However, the amendment would not prevent a bona fide sale of a piece of property, and the man buying it would have the right to do what he pleased with it and if it was a bona fide transaction the buyer could be eligible for price supports.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. The Senator from Delaware has 3 additional minutes.

Mr. WILLIAMS of Delaware. I yield myself the 3 minutes.

The amendment does not prevent bona fide sales, but it does provide the Secretary with the authority to issue regulations to prevent transactions, alleged sales, or otherwise which are obviously intended as a circumvention of such limitations. Certainly we do not want to make it profitable for a man to break his land down into multiple groups of units for the sole purpose of circumventing the ceiling.

Mr. CAPEHART. Will the \$35,000 limitation apply if a farmer is growing wheat, corn, soybeans, and tobacco, and may even be participating in the soil bank? Can he participate up to \$35,000 on each of those items?

Mr. WILLIAMS of Delaware. The amendment has no connection with the soil bank. The \$35,000 applies only to price support operations through crop loans and purchase agreements.

Mr. CAPEHART. The amendment definitely prohibits both the renter and the landowner from participating up to more than \$35,000?

Mr. WILLIAMS of Delaware. That is correct.

Mr. CAPEHART. They are considered as one person?

Mr. WILLIAMS of Delaware. If a man is operating alone or if the operation is a joint venture, the amendment would apply.

If it is a bona fide transaction, one not having a purpose of evasion, the farmer buying the land would be eligible. Otherwise, he could be disqualified.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LANGER. Does the amendment include soil bank payments on agricultural land?

Mr. WILLIAMS of Delaware. No; it does not affect them at all. That is taken care of under another bill. The amendment here deals only with price support operations.

Mr. CASE of South Dakota. On that point, the Senator's amendment is very clear, because it applies only to sales or purchases made, or to commodities made available by the Commodity Credit Corporation. The Commodity Credit Corporation, of course, does not administer the soil bank.

Mr. WILLIAMS of Delaware. I think the purpose of the amendment is very clear.

Mr. CAPEHART. Suppose a farmer makes a loan on his crop—let us say it

is corn—of 50,000 bushels. Then suppose that 6 months, 30 days, or 10 days later he pays off the loan. The transaction has not cost the Government 1 cent. The farmer has simply made a loan under the program and has paid off the loan later. Would the \$35,000 limitation apply to such a transaction?

Mr. WILLIAMS of Delaware. In my opinion, it would. The amendment provides:

The total amount of price support extended to any person or individual.

Once the person had used the total amount of his assistance, which would be \$35,000 for 1 year, he would not be entitled to any more.

Mr. CAPEHART. If the farmer made a loan and paid it off later, he would have exhausted the \$35,000?

Mr. WILLIAMS of Delaware. In that 1 year, yes.

The PRESIDING OFFICER. All time of the Senator from Delaware has expired.

Mr. ELLENDER. Mr. President, I yield myself 15 minutes.

I oppose the amendment, not only because the committee has had no opportunity to consider it, but also because I sincerely believe that it is contrary to and would completely frustrate the purpose and concept of the present farm program. The stories which have been appearing in the Nation's newspapers detailing how "vast subsidies" have been paid to certain farmers are very misleading. The truth of the matter is that such payments did not emanate from the price support program; most of them resulted from the conservation reserve and acreage reserve soil bank programs. I might point out that these programs were enacted at the behest and request of the present Secretary of Agriculture.

When that bill was presented to Congress, the administration itself opposed any limitation of payments. I agreed with that proposal.

We were told that the reason for placing the acreage reserve program on the statute books was to remove from cultivation and production as many acres of cultivated land as possible, in order to reduce production of the basic crops, and to reduce surpluses by drawing upon CCC stocks to meet consumptive requirements.

Thus, since reduced production was the objective of the acreage reserve program, the source of land placed in the acreage reserve was immaterial. As a matter of fact, since large farming units usually have higher per-unit yields, it was actually deemed desirable to entice operators of such units to withdraw their land from production.

In any event, payments made under Mr. Benson's soil bank program have been confused with price support loans in the press, and this confusion is responsible in large measure for the sentiments which provoke amendments such as that now offered by the Senator from Delaware.

The price support program does not involve direct payments to farmers for either producing or not producing crops on their land. Basically, the theory is as follows: To obtain price supports—



and price supports are loans, not payments—farmers must comply with the law, providing for acreage limitations designed to curtail production should surpluses accumulate.

If a farmer complies with the acreage allotted to him, he can borrow from the CCC, and pledge his crop produced from such allotted acres as collateral to secure his loan. The amount he is permitted to borrow depends on the loan rate, expressed as a percentage of parity.

Most crops mature at about the same time. Because of this, and because most farmers, especially small farmers, operate on a cash basis, a practice had grown up prior to the enactment of the present law, whereby farmers sold their crop as soon as it was harvested. Since nearly all farmers harvested the crops they produced at about the same time, this practice meant that huge amounts of cotton, corn, wheat, and other commodities were dumped on the market within a very short period of time.

In order to stabilize prices, and to permit farmers to spread their marketings throughout the year, instead of compelling them to dump their harvest on the market at one time, the Congress authorized the loan program I have already described. Through this program, farmers have been able to borrow money to tide them over until such time as prices recovered from harvest-time gluts. It is the theory of the program that as prices stabilize after harvests, farmers can redeem their crops from the Commodity Credit Corporation by repaying their loans plus carrying charges, and sell at a more advantageous price.

It is true, of course, that because production has far outstripped consumption of some commodities, and because acreage allotments have not produced the desired reductions in production, many farmers have been unable to repay the loans advanced them by CCC. As a result, because the borrowers were in default, the Commodity Credit Corporation has had to, in effect, foreclose on the crops pledged as security for CCC loans, just as the mortgagee of any property usually seizes the mortgaged property when the mortgagor-debtor fails to pay on time.

Our present surpluses have resulted from these foreclosures, or takeovers, as they are more properly described. They have not, generally speaking, been acquired by the Government under a purchase program, or by the Government making direct payments to farmers.

What the amendment offered by the Senator from Delaware would do is to deny to large producers the opportunity to place their crops under loan.

Because it would have this effect, the large-farm operators, who have the highest per-unit yields, will have no place other than the market for disposing of their harvests. Thus, it is my belief that the amendment will have the opposite effect of that desired by the Senator from Delaware. It will result in huge amounts of crops being dumped on the market at one time. Prices will tumble; the difference between the value of the loans CCC would still be able to make, and the market price, would be

increased. The Government, of course, would be saddled with further losses.

If the present program were a true subsidy program, as opposed to a market-stabilization device, there might be a place for the amendment of the Senator from Delaware. However, such is not the case. Furthermore, I fear that the amendment may well have the further effect of converting the present program, a program based upon market stabilization, into a form of direct subsidy program, something which I do not believe would benefit farmers, consumers, taxpayers, or the Government.

Let me also state that losses on the farm price support program are not nearly as high as some newspapers and slick-paper magazines would have the public believe. For instance, the newspapers have been saying that the Government's losses on the support program will be approximately \$4,500 million this year. Mr. President, that is more like the amount required to run the entire Department of Agriculture, than it resembles price support losses. Last year the losses—although the newspapers said they would be in excess of \$3 billion—aggregated \$1,100 million. Since 1933 the losses sustained by the Government on the price-support program have amounted to \$5,500 million. I am sure that Senators will agree that this was not a wasteful amount to pay to assure the people of the country all the food and fiber they could use.

Mr. President, let us handle our agricultural program in a sound, efficient manner. The amendment offered by the Senator from Delaware is a far-reaching one. It applies to the entire loan program, and here today we are discussing wheat. Today is no time to try to write long-range farm legislation on the floor. Our most pressing problem is wheat. We must do something now to help solve that problem. Wheat is in a bad way; there is a great excess of it. There is no doubt about that. But in attempting to find some solution to our wheat problem let us not destroy the effect of the present law; let us not make it necessary for the larger producers of wheat, corn, and other agricultural commodities to dump their crops on the market, thus driving down market prices, increasing price-support losses, turning the loan program into a direct subsidy program, and further increasing costs.

Mr. President, if an amendment of this character were to be adopted, in my humble judgment, the Congress might have to change the present law so as to give the Government the authority to dispose of all surpluses on hand without regard to price.

As Senators know, at the present time, under the law, no commodity owned by the Government can be sold for less than 105 percent of the support price, plus carrying charges, interest, and other charges. Everyone should know that if the market were to go down the Government could not advantageously handle in such a situation the agricultural commodities it now owns. In such a situation, instead of average losses of 30 percent of investment, the losses might increase to 40 percent or 50 percent—or

even higher since there would be no floor under the market.

Mr. President, I hope very much the amendment will be rejected.

Mr. President, how much time remains under my control?

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from Louisiana has 4 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. Mr. President, no one is more able or more dedicated in this field than our distinguished friend, the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. Heretofore, I have strongly supported the position he has taken in this field—namely, to avoid limitations on payments—because in those instances we were dealing with a single price support.

But in the pending bill we are dealing with two price support levels—namely, 65 percent, in the case of those who plant the allotted acreage; and 80 percent, in the case of those who cut the allotted acreage 20 percent. That one fact changes the situation materially, I believe, from that which has prevailed in all previous debates on this subject, because certainly a very large corporate producer or a very large individual producer could—in planting thousands of acres in wheat—easily cut the allotted acreage 20 percent, and then could claim the 80 percent price support, unless there were some reasonable limitation upon the amount of price support which such producers could claim from the Government.

Mr. President, I do not favor such an arrangement, because if it were put into effect, first, it would result in the making of extremely large payments to some of the large producers; and, second, it would force up the amount of wheat which the Government would have to take in the price-support operations.

Mr. President, without laboring the question—because I realize there is room for a difference of opinion—let me say that it seems to me that two price supports as different as the 65 percent and the 80 percent allowed under the provisions of the pending bill should not be permitted. I believe the Congress should not offer to growers who are planting thousands of acres an inducement to reduce their allotted acreage 20 percent, and thereby be able to claim the 80 percent price support. I think such an arrangement would very greatly increase the amounts the Government would be called upon to pay.

For that reason, Mr. President, I support the amendment submitted by the Senator from Delaware [Mr. WILLIAMS], who, as I understand, has now modified his amendment so that it applies not to this year's plantings—because the contracts for this year have already been made—but to next year's plantings.



Mr. ELLENDER. Mr. President, I yield myself one-half minute, to answer my good friend from Florida.

Let me inquire whether the Senator from Florida is aware that the pending amendment applies not only to wheat, but also to cotton, corn, other grains—to all of the price-supported agricultural commodities.

Mr. HOLLAND. No; I did not know that. I understood that the amendment applies only to the commodity dealt with by the pending bill.

Mr. ELLENDER. No; the amendment applies to all agricultural commodities which receive price support.

Mr. HOLLAND. Mr. President, the point I have just now made would have to apply to cotton, because there are two price support levels for cotton, also, under the present arrangement; and the point I have made would have to apply to any of the other basic agricultural commodities for which there is such an artificial arrangement of two price support levels.

I hope that the Senator from Delaware will modify his amendment so that it will apply only to basic commodities which have a dual price support.

Mr. CAPEHART. Mr. President, will the Senator from Louisiana yield me 4 minutes?

Mr. ELLENDER. I yield 4 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 4 minutes.

Mr. CAPEHART. Mr. President, no one can quarrel with the principle involved in the Williams amendment. However, I think it should be pointed out that the purpose of the price support program is to reduce farm production or induce farmers to reduce the number of acres they plant or sow.

If we do what is recommended by the able Senator from Delaware, then we shall simply eliminate the larger farmers who are participating in the program, which I am sure they will be delighted to have Congress do. Then they will be in a position, without violating any law, to till every acre they care to till, and throw their products upon the market and sell them.

Senators seem to forget that the purpose of the program is to reduce production so that farm prices on the open market will be satisfactory to farmers. The program was not intended to help particularly the little farmer, or the big farmer, or the farmer in between. The purpose of it was to say to a farmer, "If you will reduce the number of acres you till, we will guarantee you X amount for your product per unit when you are ready to market it."

The hope was that, as a result of the reduction in production, the market price would be above the support price, so that all farm products would move into the free market. The other purpose, of course, was to have orderly disposal of farm products.

The Williams amendment makes the best argument in the world for the substitute I intend to offer a little later, to completely eliminate price supports on

January 1, and freeze the surpluses and dispose of them in an orderly way.

If the Williams amendment were modified so that no farmer could participate beyond the extent of \$1,000 or \$5,000, for example, the same purposes would be accomplished as would be accomplished by the substitute I shall propose a little later today. All farmers would be eliminated from participating in the program.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. Yes.

Mr. CASE of South Dakota. Would the Senator say that a fair interpretation of the Williams amendment is that it would establish a two-price system, one price to be that which those who can qualify for the loan, up to \$35,000, in price supports, would have, and the other price to be that which the large operator would get if he sold on the world market?

Mr. CAPEHART. There might well be a two-price system. The support price might be lower than the market price, or vice versa. It might well be a two-price system.

The weakness of the Williams amendment is that the Senator limits the price support to \$35,000 for any one farmer. For example, in Indiana, a farmer who grows corn, wheat, and soybeans—

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. ELLENDER. Mr. President, I yield 1 minute on the bill to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 1 additional minute.

Mr. CAPEHART. For instance, an Indiana farmer may grow wheat, corn, and soybeans. Under the Williams proposal he could participate in the program only to the extent of \$35,000 on all three crops. In reality he would not be able to participate in the program at all, because in order to participate to the limit of \$35,000, he would have to reduce his acreage drastically. Therefore, he would not participate.

I am merely guessing, Mr. President, but, as a result of adoption of the Williams amendment, I would estimate that possibly 75 percent of the farmers in the United States would be eliminated from participating in the program at all. That number of farmers would be out of the program, and they would be able to till all the acres they wanted to and grow all the products they wanted to and sell them on the open market.

It would help the proposal of the Senator from Delaware a great deal if it were provided that a farmer could borrow as much as he wanted to if he participated in acreage allocation, and then, if he delivered his products to the Government he could participate in the program to the extent of not more than \$35,000. That would allow him to participate in the loan program. Then he could keep his crops on the farm, or dispose of them in an orderly way.

The situation is the best proof that the farm program has completely broken down, and ought to be discontinued.

Mr. DIRKSEN. Mr. President, I yield 1 or 2 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. MUNDT. Mr. President, I rise in support of the Williams amendment. I offered an amendment in the committee room to provide for a limitation of \$35,000 on wheat; but on the day the bill was voted on by the committee, there was barely a quorum of the Committee on Agriculture and Forestry present. My amendment was defeated by only one or two votes. While I voted against S. 1968 in committee because I do not think its overall approach as to wheat is satisfactory, I offered the amendment on the \$35,000 top limitation. It fell short of approval by a narrow margin but I am fairly convinced in my own mind that if all the members of the committee were present, the amendment would have been adopted.

It seems to me unless Congress provides a top limitation on the amount of support prices farmers can get, the whole program will be pushed underground. Multi-million-dollar payments to just a few great corporation-type farmers are destroying the support program for those who actually need it.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. DIRKSEN. Mr. President, I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 additional minute.

Mr. MUNDT. Here is an opportunity at least to start in the direction of putting some limitation on the amount any one farmer can receive and of eliminating from the program farmers who are getting hundreds of thousands of dollars in price supports by raising crops which the country presently does not need.

Providing a top limitation will be an attempt to break down the very large farms into smaller and family-sized farms, and thus furnish opportunities for veterans and other young farm families to go into farming. Under the present law a man can lay out a whole county and participate in the price support program. I think it is time Congress recognized the situation. The President has recommended that something be done about it.

I shall vote for the Williams amendment as a step in the right direction.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time taken for the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I be permitted not to vote on the amendment, for the simple reason that I farm on quite a large scale.



The PRESIDING OFFICER. The time is under allotment. Debate is not in order.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Do I not have a right to state the reasons why I ask unanimous consent not to vote?

The PRESIDING OFFICER. The absence of a quorum has been suggested.

Mr. CAPEHART. I am sorry.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the Senator from Connecticut [Mr. BUSH].

Mr. HUMPHREY. Mr. President, I ask that the chairman of the committee yield me 2 minutes from the time on the bill, so that I may make an inquiry.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mrs. President, as I understand the amendment offered by the Senator from Delaware, it is an amendment which applies across the board, with a \$35,000 maximum limitation on loans for all commodities. Is that a correct understanding?

The PRESIDING OFFICER. The Chair understands that is correct.

Mr. COTTON. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, it was the intention of the Senator from Minnesota to offer an amendment which included a \$35,000 limitation on wheat, since the measure before the Senate is a wheat bill. The amendment of the Senator from Minnesota also included provisions relating to the price-support levels, as compared to the bill reported by the committee.

I regret that the Senator from Delaware has seen fit to offer an amendment so broad as the amendment he has offered, since it goes beyond the scope of the particular proposed legislation before us.

I believe strongly in the \$35,000 limitation. I believe that the limitation ought to be applied.

I ask the Senator if he would permit an amendment to be offered, which would take unanimous consent, of a broader nature, including price-support levels along with the \$35,000 limitation? If the Senator does not want to do that, then I shall offer an amendment in the nature of a substitute, to deal only with wheat.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. WILLIAMS of Delaware. Mr. President, I do not think the offering of a substitute by the Senator from Minnesota would be appropriate at this particular point, because my amendment deals solely with a limitation on crops and adds an entirely new section. I notice that the substitute proposed by the Senator from Minnesota would strike out language on page 1, line 5, and following, and would insert a new section, which is broader than the language of my amendment, and includes an increase from 75 percent to 85 percent of parity.

I think we should follow an orderly procedure. The debate has been held. It would be much more in order to vote on my amendment, after which the amendment of the Senator from Minnesota in the nature of a substitute for the language in the bill would still be in order. I think that would be a much more orderly procedure. I wonder if we cannot simply vote on the pending proposals.

Mr. HUMPHREY. Mr. President, my amendment was lying on the table last evening. The amendment of the Senator from Minnesota is geared to the \$35,000 limitation as a fundamental part, but relates to wheat. It does not relate to all commodities. Therefore, since I feel as I do, I shall offer the language of my amendment as a substitute for the pending amendment, and I ask that it be stated.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. I believe this requires unanimous consent. As a cosponsor of the amendment offered by the Senator from Delaware, I object.

Mr. HUMPHREY. May I respectfully state that the offering of a substitute does not require unanimous consent, since the substitute relates to a provision before the Senate and the substitute is germane and relevant.

Mr. BUSH. I will ask the Presiding Officer to rule.

The PRESIDING OFFICER. The Parliamentarian advises that the substitute amendment for the pending amendment is in order.

Mr. BUSH. Mr. President, is my objection invalid?

The PRESIDING OFFICER. The objection is invalid.

The substitute amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the Senator from Delaware [Mr. WILLIAMS] it is proposed to insert the following:

The total amount of price support made available under this act to any person for each of the crops of wheat harvested in 1960 and 1961, respectively, through loans or purchases by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed \$35,000. In the case of any loan to, or purchase from, a cooperative marketing organization such limitation shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support ex-

tended to such person for the purpose of applying such limitation. The term "person" shall mean any individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity or a state, political subdivision of a state or any agency thereof except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a "person" for purposes of this subsection. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

Mr. HUMPHREY. Mr. President, I do not believe we need to have much discussion of this amendment. I regret the procedure, to be frank, but unless we apply this procedure there is no way one can hold the bill accountable to the commodity which is before us, namely, wheat. I feel that since we are considering a commodity-type bill we should apply the rules relating to the particular commodity.

I do not like this kind of individual commodity legislation, as the chairman of the committee knows. I pay tribute to the chairman for his infinite patience, wisdom, and good judgment in these matters.

We had no other choice, if we were going to meet the deadline of the marketing quota elections. The pending bill relates to one particular commodity. Since the bill does relate to one particular commodity, and since my amendment is designed to affect one particular commodity, I feel this is the time to bring it before the Senate for consideration.

My overall proposal, to which I shall refer as soon as the votes are completed, would provide for a higher level of supports in order to assure some reduction in production. The best curb on production of wheat is to make it crystal clear that an individual producer will get \$35,000—period—as a maximum amount of loan.

Let me add for the benefit of the senior Senator from Pennsylvania [Mr. CLARK], who asked me a question earlier, that the \$35,000 limitation means the whole amount the Government may loan any individual producer upon a crop which is eligible under the Agricultural Adjustment Act of the price support program for commodity credit loan purposes. In other words, we would limit the amount of funds the Government of the United States would be obligated to make available for loan purposes.

Mr. CLARK. Mr. President, will the Senator yield for two questions?

Mr. HUMPHREY. I yield.

Mr. CLARK. First, does the Senator's proposal with respect to the \$35,000 limitation apply only to wheat?

Mr. HUMPHREY. The Senator is correct.

Mr. CLARK. Second, can the Senator give us any facts and figures by which we can determine whether the Senator's substitute would cost the Federal Treasury less money than the committee proposal?

Mr. HUMPHREY. In this particular instance the obligation of the Treasury under the price support provisions would be a maximum of \$35,000, in terms of an



individual producer, as defined in the amendment. Therefore it is bound to limit or reduce the total obligation of the Government in terms of loans.

Mr. CLARK. As I understand, the Senator's present proposal would not increase the price support to 85 percent of parity.

Mr. HUMPHREY. The Senator is correct. I do not prefer to proceed in that manner, but there was no way procedurally to deal with the other question until after the Senate voted on the \$35,000 limitation offered by the Senator from Delaware. That limitation did not apply solely to wheat. Therefore it did not seem to me that it was proper in this bill.

Mr. CLARK. Does the Senator object to the amendment offered by the Senator from Delaware on a procedural basis?

Mr. HUMPHREY. The objection is basically procedural, but his amendment is broader in its overall concept.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. As I understand, the Senator's amendment would limit price support in any one year only to wheat.

Mr. HUMPHREY. My amendment applies to wheat loans under the price support provisions, a maximum of \$35,000.

Mr. NEUBERGER. Since reading the amendment I asked my staff to have prepared for me an amendment which would apply a similar limitation of \$35,000 to any crop supported by the Government, including cotton, corn, tobacco, rice, peanuts, and any other commodities within the scope of the Senator's proposal. Wheat alone should not be singled out. Would the Senator join me in supporting such an amendment?

Mr. HUMPHREY. I am for that objective. I think it is a very good proposal. But the measure before us is a wheat bill. My point is that we are trying to legislate commodity by commodity, which is almost unfortunate. Therefore, I think we should keep it on that basis.

Mr. NEUBERGER. I did not intend to offer the amendment today.

Mr. HUMPHREY. Indeed, I will support it.

Mr. NEUBERGER. I did not make myself explicit enough, and I apologize.

When I have my amendment prepared, to apply a \$35,000 limitation to the other crops, will the Senator join me, with his great influence and support?

Mr. HUMPHREY. Certainly. As a matter of fact, the Senator from Minnesota proposed the same thing in committee, in terms of overall price support limitations in bills previously reported by the committee, but at that time the administration opposed it.

I commend the Senator for his observation.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORTON. I have the prepared mimeographed statement of the Senator.

I am sorry I could not hear the colloquy very well. As I understand, in the amendment now offered as a substitute, the Senator from Minnesota has eliminated points 6 and 7, and he intends to deal with them later?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, in explaining his amendment in the nature of a substitute, the Senator from Minnesota has accurately pointed out the difference between his amendment and my amendment. His amendment would restrict price support assistance to any one individual to \$35,000 on wheat alone. My amendment would include a limitation on all commodities.

My point is that if we are to establish a limit of \$35,000 assistance to any one individual, the limit should apply on all commodities. Why single out wheat?

The Senator from Minnesota says he favors a limitation on all commodities, "but"—and we have been sitting around here for 10 years and drifting into trouble on the agricultural program. If Senators favor a limitation on all commodities, let them not be satisfied to just speak in favor of it, but vote for it. If they favor the \$35,000 limitation with respect to all commodities, let them vote for it, and defeat the amendment of the Senator from Minnesota.

As I indicated earlier, the U.S. Treasury advanced \$9½ million, in price-support loans on cotton and rice grown during the past 10 years by one corporation which is entirely British owned. Not a dime of it is owned by an American citizen. I refer to the Delta Corporation, in Mississippi. In addition, it received several hundred thousand dollars in payments from the Federal Treasury for not growing rice and cotton on some other lands. This corporation received a little more than a million and a half dollars in support payments in 1 calendar year.

This situation is utterly ridiculous. It is time to stop it. Members of Congress say in their speeches that they are for the proposed limitation on all commodities. Then let us vote for such a limitation and defeat the amendment of the Senator from Minnesota.

Mr. NEUBERGER. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. NEUBERGER. The amendment of the Senator from Delaware would apply the limitation of \$35,000 to any supported crop, be it cotton, tobacco, peanuts, wheat, corn, or any supported crop? Is that accurate?

Mr. WILLIAMS of Delaware. That is correct. If we are to establish a limitation, why should we not apply it to all crops, or any combination of such crops? If a man were growing \$25,000 worth of wheat and \$10,000 worth of corn, that would give him \$35,000.

Mr. NEUBERGER. That would be his maximum?

Mr. WILLIAMS of Delaware. That would be his maximum. Under the amendment offered by the Senator from

Minnesota [Mr. HUMPHREY] he could get \$35,000 on wheat and an additional \$35,000 on various other crops. If we are to establish such a limitation, let us do it, and stop talking about it. We have done too much piecemeal legislating on the farm program. If we are for this limitation, there is no better time to express ourselves than when we are voting.

Mr. CARROLL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. DIRKSEN. Mr. President, I yield 5 additional minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I yield to the Senator from Colorado.

Mr. CARROLL. The junior Senator from Colorado finds himself in a very curious position. I represent thousands of wheat farmers. I am asked to support the Humphrey amendment, which, I understand, applies only to the wheat farmer, on the very engaging prospect that at some time in the future there may be a bill before us limiting support payments to \$35,000 on all commodities. It seems to me that such a measure should originate with the committee, and such a limitation should apply across the board.

Mr. WILLIAMS of Delaware. My amendment does apply across the board. I have an amendment pending upon which the yeas and nays have been ordered. The Senator from Minnesota [Mr. HUMPHREY] has offered a substitute, which is in order; but if the substitute is defeated, the next vote will be on my amendment which applies across the board, to all commodities.

Mr. CARROLL. The Senator from Delaware did not permit me to finish. I was trying to develop some thinking for myself and those of us who come from wheat-producing States. I do not know why we in the wheat States should be singled out for special treatment.

If the limitation is to apply across the board, the proposal should originate with the Committee on Agriculture and Forestry. If we are to deal with this problem, let us deal with it properly, instead of imposing a limitation only on wheat, and asking Senators, without opportunity for proper study and debate, to vote against the interest of their own States by placing a restriction upon them.

Mr. WILLIAMS of Delaware. I will say to the Senator—

Mr. CARROLL. Let me continue for a moment. I agree with the Senator's premise that if we are to establish such a limitation it should apply across the board. The only question in my mind is, should we do it now? Why not postpone action at this time and defeat both proposals. Let us do as the distinguished Senator from Oregon [Mr. NEUBERGER] has suggested. Let us deal with the subject through a bill which applies across the board, rather than dealing with it piecemeal.

The PRESIDING OFFICER. The time of the Senator from Delaware has again expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Delaware.



Mr. WILLIAMS of Delaware. These proposals were both offered in the committee. They were both rejected by the committee, and neither proposal is before us as a committee amendment. One proposal is the Williams amendment, and the other is the Humphrey amendment. They were offered in the committee. On two previous occasions the Senate has approved the very amendment I have pending today. It has been voted upon and approved by the Senate on two previous occasions. Therefore we are not voting on new legislation. The only difference in the amendments is that my amendment covers all commodities while the amendment of the Senator from Minnesota covers only wheat.

Mr. CARROLL. Do I understand correctly that the Senate has approved this same limitation on two other occasions?

Mr. WILLIAMS of Delaware. Yes; and it was rejected by the House.

Mr. CARROLL. Then, it seems to me, if the Senate has taken action on it, we should bring it before the Senate again. Coming from a wheat producing State, I do not want to stand here all alone and see one farm area of the country discriminated against, when we ought to treat the subject as it has been treated on two previous occasions.

Mr. WILLIAMS of Delaware. What I say is that if you want the job done it must be done by defeating the Humphrey amendment and voting for my amendment. That would do what the Senator says he wants to have done. My amendment imposes a limitation on all crops. I say again that if we are to do anything along this line we must vote for it, not merely talk about it.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. DIRKSEN. I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Coming from a wheat State, I believe it is time to do something. If we are to have a limitation, let us set it before the farmers start planning the winter wheat crop. We must act now.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Eight minutes.

Mr. DIRKSEN. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. I will use the 1 minute to ask a question of the Senator from Minnesota. In the statement the Senator from Minnesota has made, that he will subscribe to the imposition of the \$35,000 limitation, is that in accord with the proposal made by the Senator from Delaware?

Mr. HUMPHREY. No; not at all.

Mr. LAUSCHE. The Senator from Minnesota suggests \$35,000 for each crop?

Mr. HUMPHREY. A maximum of \$35,000 for each. The Senator from Delaware suggests a combination.

Mr. LAUSCHE. A combination of all.

Mr. HUMPHREY. That is right. Under the Williams amendment if a farmer grows soybeans, wheat, corn, or any other crop, the maximum he could get for all crops would be \$35,000. Such a program would be more difficult to operate than a limit on each commodity, as I propose.

Mr. LAUSCHE. That is the principle advocated by the Senator from Minnesota. Is that substantially different from the proposal made by the Senator from Delaware?

Mr. HUMPHREY. Yes.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Oregon.

Mr. NEUBERGER. I should like to ask several questions of the Senator from Delaware, because on this vital issue I believe the RECORD should be unmistakably clear. Do I understand correctly that his proposal for a \$35,000 limitation on all price supports in one operation was voted on in the Committee on Agriculture and Forestry, and was rejected?

Mr. WILLIAMS of Delaware. It has been offered several times in committee. Both proposals were offered in committee. My proposal was also offered on the floor of the Senate on two occasions, and was adopted by the Senate. I believe the proposal was for a \$50,000 limitation, but the principle was the same.

Mr. NEUBERGER. The difference between the proposal of the Senator from Delaware and the proposal of the Senator from Minnesota is that under the proposal of the Senator from Minnesota the \$35,000 limitation would apply only to wheat. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. NEUBERGER. The limitation of the Senator from Delaware would apply to all price supports paid to any one operation?

Mr. WILLIAMS of Delaware. That is correct. I realize that, while we are dealing with the wheat program, we are also dealing with the farmers of America. If we are going to impose a limitation, we should impose it across the board on all crops.

Mr. NEUBERGER. I certainly intend to vote for the Senator's proposal.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 9 minutes remaining.

Mr. HUMPHREY. I should like to call to the attention of the Senator from Delaware what I consider to be one of the fundamental weaknesses of his proposal. The maximum limitation of \$35,000, to which the Senator from Oregon has referred, is a fair and just limitation on price support loans, but I say most respectfully, in terms of costs of modern agriculture, the \$35,000 total loan limitation, for a combination of all crops, is unrealistic. It is as unrealistic as the \$300,000 loaned and the \$500,000 loans which are presently available under the price support program. The Senator from Delaware can make his amendment very palatable to all of us if he will modify

its language to the point where it does not provide a limitation, on a combination of crops, or where the \$35,000 is the maximum, total limitation on a farmer. It is not possible to operate that kind of farm program. My proposal is for a \$35,000 limitation on wheat. I believe there ought to be a maximum set on any one commodity. It seems to me that the Senator from Delaware would be wise in his effort if he would try to put the maximum limitation on the one commodity, rather than to put it on a combination of all of them. I wonder whether the Senator from Delaware has given any thought to that.

Mr. WILLIAMS of Delaware. Yes; I have given some thought to it. If we are going to talk about the family-type farm, let us pass some legislation for the family-type farm. If my amendment should be rejected, it would be in order to change the limitation. If we are going to put a limitation on crops, let us establish a limitation, and be realistic about it, by applying the limitation across the board to all commodities. If we do not do that, it will be possible for a farmer to raise \$35,000 worth of cotton, and the same amount in rice and peanuts and tobacco, and any other commodity he chooses to grow. If we do that we get completely away from the family-type farm proposition. There has been a great deal said about it. The President of the United States has recommended limitations in the program on three different occasions in his messages to Congress.

My amendment has been recommended by the Secretary of Agriculture. It has been favored by practically every Member of the Senate at various times. All it needs now to make it effective is a vote at the proper time. Today is the time.

I wish the Senator from Minnesota would withdraw his amendment at this time and let us have a vote on the proposal to provide a limitation across the board.

I do not believe that the way to do it is to single out one particular crop. Therefore I ask the Senator from Minnesota to withdraw his amendment at this time, and offer it later if my amendment is not adopted. If there are sufficient votes to adopt an amendment dealing with all commodities, his amendment would be defeated anyway.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Florida.

Mr. HOLLAND. I do not like to differ with my friend from Delaware, but the fact is that we are dealing with this program on a commodity by commodity basis. We began it last year by offering remedial programs in three fields.

Farmers have gone into these programs in good faith. For instance, in the case of cotton, there are farmers who have gone along with the program under which they have surrendered the right to higher price supports, with the understanding that there would be no change in the limitation of the amount.



Obviously, it is not fair to change the rules in the middle of the game. I hope the Senator from Minnesota will leave his amendment as it is, which is in accord with what I understood we were debating, and in accord with what was advanced by the Senator from Delaware and other Senators in the Committee on Agriculture and Forestry. In committee there was no thought whatever of making an amendment apply across the board. We were talking only about a wheat bill. I indicated that I would be glad to support this type of amendment because with two support prices, one at 65 percent and one at 80 percent, it is very obvious that we are not in the same situation we would be in if we had one price support, because, unless a limitation were provided, every inducement would be offered to a grower who is producing wheat to come under the 80-percent price support, which means that a great many more millions of dollars would be paid out.

Mr. WILLIAMS of Delaware. Will the Senator from Minnesota yield me 1 minute?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. I thank the Senator from Minnesota. I should like to say, in reply to the Senator from Florida, that my amendment does not affect any contract which the Government has with a farmer. The amendment is applicable only to the production of the 1960 crops. I fully agree with the Senator from Florida that those crops which have been planted in accordance with the laws which exist today, whether we like those laws or not, were planted under an obligation or contract, so to speak. The amendment does not violate any agreement. It applies only to the 1960 production.

Mr. HUMPHREY. I wonder whether the Senator from Delaware would be willing to accept to his amendment an amendment providing that the \$35,000 limitation shall apply as a maximum to any one price-supported crop.

Mr. WILLIAMS of Delaware. No; I could not accept such an amendment. If such an amendment were offered, I would oppose it, although I would say that it would be better than nothing. I believe we should effectively deal with this matter now. The \$35,000 proposal is a realistic one.

Mr. HUMPHREY. Mr. President, I withdraw my amendment. I offer as an amendment to the amendment offered by the Senator from Delaware a direction that there be a maximum limitation of \$35,000 of crop loans on any one price-supported crop.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to strike out "agricultural commodities" and insert in lieu thereof "any one agricultural commodity."

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. Into what amount, in the aggregate, could one farmer design his planting so as to receive the greatest

amount of funds possible? If he has a large piece of land and wants to get the the most money possible for it, into what amounts could he accumulate his planting?

Mr. HUMPHREY. There are a number of price-supported crops, but I cannot imagine a cotton farmer selling his cotton equipment simply to be able to produce some oats and get another price-supported crop. I cannot imagine a tobacco farmer of 25 or 30 years' experience selling his equipment simply to produce another price-supported crop.

My point is that today farmers have substantial investments. It is proposed to limit a loan to \$35,000 for a whole farm. The purpose of the loan provision is to insure orderly marketing. The whole purpose of the price support law is to bring about marketing of crops in an orderly fashion; otherwise, the whole program will be seriously jeopardized.

As I said to the Senator from Oregon [Mr. NEUBERGER], I agree that if we are going to legislate with respect to wheat, we ought to legislate with respect to other commodities. The pending measure happens to be a wheat bill. We had before us yesterday a tobacco bill. There will be other bills for other commodities.

This is a foolish way to legislate; but apparently is the only method by which we can get bills out of the committee and before the Senate, because of what has happened at the administration level.

I suggest that we should be fair to all other commodities, which is really what we are talking about. We are not providing crop loans on farms, but on crops. If there is to be a \$35,000 limitation, let it be on a commodity, not on a farm. After all, there are producers who grow soybeans. There are producers who raise cotton.

If it is desired to have a farm program which is ineffective, if what is wanted is inefficient farm production, the best way to accomplish the objective is to have the kind of marketing structure we are now discussing.

Mr. LAUSCHE. The Senator from Minnesota has not answered my question. Let us forget the amount of farmland. Let us eliminate cotton and tobacco. What can a farmer do to get the maximum amount of loan? I am not asking what is the prudent or feasible thing to do.

Mr. HUMPHREY. Let us consider the Senator's State of Ohio or my State of Minnesota. What are the crops? I do not think tung nuts, are produced in Ohio.

Mr. LAUSCHE. We do not have large farms in Ohio. We have 100-acre farms. The proposal of the Senator from Delaware limits the total amount of a loan to \$35,000. What can a farmer accumulate under the proposal of the Senator from Minnesota—\$200,000?

Mr. HUMPHREY. That depends on the size of the farm.

Mr. LAUSCHE. Will the Senator from Minnesota add up the amounts and state what can be accumulated?

Mr. HUMPHREY. I will use my own State of Minnesota for the computation. Minnesota produces corn, wheat, barley,

oats, rye, grain sorghums, soybeans, and flax which are crop supported.

Mr. LAUSCHE. How many crops is that?

Mr. HUMPHREY. Eight.

Mr. LAUSCHE. Suppose a farmer had a farm large enough to grow each of those crops. Could he get a \$35,000 loan on each one?

Mr. HUMPHREY. Possibly.

Mr. LAUSCHE. The amount for that farmer would be \$280,000, as compared with \$35,000 under the proposal of the Senator from Delaware.

Mr. HUMPHREY. That is correct, if he had a farm large enough; but there is not a farm large enough in Minnesota, and there is not likely to be.

Mr. LAUSCHE. If that is not a danger, why not accept the program proposed by the Senator from Delaware?

Mr. HUMPHREY. I do not say the program proposed by the Senator from Delaware is unworkable; I simply say it is not as good as it could be. The Senator from Delaware says the limitation will be \$35,000. If the farm produces only one crop, the Senator from Delaware is perfectly willing to have a \$35,000 limitation for the one crop. That is what his amendment provides. But the Senator also says that if other crops are produced on the same farm, the maximum amount for the farm is still \$35,000.

What is the purpose of a price support program? The purpose of a price support program is to enable a farmer who produces corn, wheat, cotton, oats, rye, or whatever other commodity he grows, to get a crop loan during the harvest period, so that he will not have to dump his crops onto the free market and take depressed prices. That is the whole purpose of a price support program. Under present law, a farmer can spend up to \$1 million—or \$10 million, so far as that is concerned—on any one crop. But the amendment offered by the Senator from Delaware would put the price support program on a greatly restricted basis.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. If a man had shares of stock in three different companies producing the same type of product he would receive tariff protection on all three of his holdings, would he not?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. He would not be penalized for having diversified his holdings, would he?

Mr. HUMPHREY. He would get a depletion allowance upon the oil he happened to have; he would receive a depletion allowance on iron; he would get a small depletion allowance on sand and gravel; he would get a depletion allowance on something else. We do not say that the total depletion allowance for all commodities will be a certain figure. No. The depletion allowance is granted commodity by commodity. Justly or unjustly, that is the way the law operates.

From the point of view of public relations, from the point of view of Life magazine, it may be wonderful to set \$35,000 as a maximum for a farm. But



I ask Senators: Do we want a farm program or a headline? Do we want a farm program which deals with commodities, or with the prices for an individual farm? It is not farms which are being marketed; it is crops which are being marketed. The purpose of a crop loan is very simple. It is to give a farmer the opportunity to borrow some money by putting his crop up as a collateral asset, so that he will not have to market all of it in Minnesota in August, because if he starts to market it in Minnesota in August, the price will go down. We would like to give him a little time. We would like to have a farm program under which there is a ceiling on farm loans.

I am opposed to \$500,000 loans and \$400,000 loans. I am for the family farm. But I remind Senators who are interested in the family farm that many farms today which are eligible for a crop loan of more than \$35,000 are still family farms.

What we should be talking about is a program which will work. I do not know what is produced in Delaware or some other States, but I know what is produced in the breadbasket of America. I observe the junior Senator from Texas on the floor. If a \$35,000 limitation were placed on a farm in Texas, the farm could be washed down the Rio Grande.

Mr. YARBOROUGH. Such a limitation would bankrupt 80 percent of all the farms in the valley.

Mr. HUMPHREY. Sugar beets, wheat, and feed grains are grown under price supports in Colorado, where it is necessary to have large farms because of a lack of water. Sometimes the soil is not so productive because of arid conditions.

I do not believe in having a wide-open gate. I believe in equity and justice. I am opposed to the nth degree to what I call country club farmers. But I am for a farm program which will give some semblance of decency and some semblance of order to a crop loan program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I commend the Senator from Minnesota for withdrawing his original amendment, for the very reason he is now expressing. I feel that the proposal of the Senator from Delaware would work a great hardship on the farmers of Colorado. In some of our area, farmers can raise only wheat. They are dryland farmers; they cannot rotate the crops.

I agree with the Senator from Minnesota that his latest amendment is a more sensible approach. It is too bad that we have to legislate in this fashion. But in the absence of a more constructive program, we shall have to adopt the amendment which has been submitted by the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator from Colorado.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I am opposed to this amendment for the same reasons I oppose the amendment of the Senator from Delaware [Mr. WILLIAMS].

It is my belief that the pending amendment is a little more palatable than the Williams amendment—for the reason suggested by many Senators who oppose the Williams amendment. But, Mr. President, as I stated a short time ago, if the pending amendment were to be adopted, it would, in my humble opinion, destroy the present farm program.

It is my belief that many Senators do not understand the philosophy behind the present farm program. As I pointed out earlier today, many of our difficulties arise from the soil bank—acreage reserve, and conservation reserve programs—under which direct subsidies were paid to farmers for not planting. As I have pointed out, efforts were made to limit those payments. I opposed those proposals, and so did the Department of Agriculture—for the simple reason that the intent of the law was to get acres out of production, and whether those acres came from small farms or from large farms made no difference. After all, the purpose of the programs was to reduce the surpluses of corn, wheat, cotton, and other agricultural commodities.

Mr. President, the present law has been on the statute books for more than 20 years, although from time to time it has been amended. But, as I pointed out this morning, under the loan program farmers do not receive direct subsidies from the Government. As my good friend, the Senator from Minnesota, stated only a minute ago, the purpose of the act is to avoid compelling the farmer to dump his crop on a depressed market. Yet, if the pending amendment is adopted, farmers will be compelled to do just that. In effect, we will be turning the clock back two decades if this amendment is adopted.

Mr. President, let me point out to my good friend, the Senator from Ohio [Mr. LAUSCHE], that we are told that at the end of this year the Government will have on hand almost \$10 billion worth of agricultural commodities.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I shall be glad to yield in a moment.

If prices fall as the result of large farm dumping, the value of all commodities the Government now has in storage would be affected adversely.

Let me say to my friend, the Senator from Ohio, that up to now the losses on the commodities the Government has in storage have amounted to approximately 30 percent of the investment. The entire losses the Government has sustained from the inception of the program in 1933—

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 3 minutes.

Mr. ELLENDER. Mr. President, as I was about to say, the entire losses which the Government has sustained from the inception of the program in 1933 to December of last year have amounted to a little more than \$5 billion. As I said earlier, this is a small enough price to pay in order to assure our people an adequate supply of food and fiber at reasonable prices.

Mr. President, the farmers of the Nation do not ask for favors. They would be delighted, I believe, to do away with all Federal assistance, provided everyone else starts from scratch. But today's efforts are being made to raise the minimum wage to \$1.25. If that increase is voted, the farmers will have to pay for part of it; everything they buy will be affected by it. Even the farmers' own labor bills may be increased.

Mr. President, unless we provide the farmer some form of protection, I fear he will go under. I believe it can readily be shown that whenever the farmer is hit by economic disaster we can expect to see disaster visit our national economy. We cannot discriminate against those who produce our food and fiber.

Mr. President, the principal purpose of the pending bill—

The PRESIDING OFFICER (Mr. Moss in the chair). The additional 3 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, as I was about to say, the principal purpose of the pending bill is simply to reduce the production of wheat. As I said this morning, if the pending bill is enacted into law, the production of wheat during the coming year may be cut by between 120 million and 200 million bushels. That is the chief purpose of the bill.

Mr. President, it strikes me that what the Senate should do is pass the bill as reported by the committee. The Senate should not add to the bill amendments which would affect crops which are not now included in the bill.

Mr. President, it is true that the pending bill is a stop-gap measure. But our committee is continuing its studies, in trying to solve this phase of our vexing farm problem. If and when we are able to agree on legislation affecting the various other agricultural commodities, that will be the time for the Senate to proceed to act in the field covered by the pending amendment.

Mr. President, consider the amendment of the Senator from Delaware [Mr. WILLIAMS]: It would limit to \$35,000 all loans on all crops that are supported. That is a very small limitation for all the protected agricultural commodities. As between the Williams amendment and the Humphrey amendment—although, of course, I oppose both of them—I believe, as I have said, that the Humphrey amendment is the more palatable.

Mr. President, at this time I yield 5 minutes to my good friend, the Senator from Delaware [Mr. WILLIAMS].



Mr. WILLIAMS of Delaware. Mr. President, I hope the Senate will reject the Humphrey amendment, for I do not believe it will do the job intended. It provides a limitation of \$35,000 on each and every crop. I am glad to note that the Senator from Minnesota has at least come around to favoring my suggestion that if this job is to be done, it should be done in the case of all farmers alike; at least the Senator from Minnesota has gone that far in the right direction.

But I wish to go the full way, and help do this job in the right manner—the one we have been advocating for a number of years.

The Humphrey amendment would limit—not to the \$35,000 which we propose—but to a quarter of a million dollars, in many cases the payments which could be made. There would be no limitation in regard to the various crops as to which the farmer could qualify for the \$35,000 payments. There is no limitation on the number of crops as to which a man could qualify under the program. If we adopt his proposal, we are telling the American people we are putting into effect a limitation of \$35,000 but, and at the same time, shooting the bill full of loopholes so that people can get around the ceiling. Let us do it right or not at all.

We had an example of that last year when we tried to put a \$5,000 limitation on soil-bank payments. The Comptroller General called our attention a few weeks ago to the fact that farms are being broken down so that people can get around the \$5,000 limitation. He said there is one farm in the West which is going to collect close to half a million of soil-bank payments.

Therefore, I cannot support this proposal in view of the loopholes it contains. If we are going to provide a \$35,000 limitation, let us enact a limitation which is effective. If we are not going to do that, let us defeat it and take the lid off and let large corporation-type farmers take what they can get.

Let us at least not kid anyone as to what we do here today.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I want to commend the Senator from Delaware for focusing our attention on this problem. The American people are up in arms about paying such huge funds to large corporate farmers. It is rather amusing to me to hear many of those who have gone up hill and down dale condemning huge payments now seeking to get out from under the amendment of the Senator from Delaware and trying to find some excuse for not coming to grips squarely with this problem.

First we have an amendment, from the Senator from Minnesota, which proposes to limit the program to wheat only. When the debate on that proposal gets underway and demonstrates its utter inadequacy, that proposal is withdrawn and a new amendment, the Humphrey millionaire amendment, is offered to allow \$35,000 to be paid as to each commodity, which, as the Senator from Delaware has pointed out, may result in pay-

ments of \$200,000 or \$300,000 to a large corporate farmer. Such a farmer, if his land would permit it, would put that land in production of all the crops on which he could receive payments of \$35,000, as to each crop, from the taxpayers of this country.

Most of the farmers in this land do not share payments on basic crops. They do not get any of this money. They pay for the program the way all the rest of the taxpayers pay for it, and the consumers of the products pay for it. We now have a chance to deal with a problem which is fast assuming, if indeed it has not already assumed, the proportions of a national scandal. Those who want to match their pious expressions with action will vote against the Humphrey millionaire amendment and for the Williams amendment and thus place a realistic limitation on the total amount which any one farmer can get from the Federal Government for crops grown on his land.

Mr. WILLIAMS of Delaware. I thank the Senator from New York for his support. I may say the amendment, which provides for a maximum of \$35,000 on all crops, will not affect 90 percent of the farmers of this country. The other 10 percent can afford to do their own farming without dipping into the Federal Treasury. These are large operations and it is time they get their hands out of the Treasury.

As I said before, even the Senator from Minnesota has advocated the principle of my proposal. It is always said, "This is not the time." I most respectfully say that the time for action is when the roll is called and the vote is taken.

I wish the Senator from Minnesota would withdraw his amendment so there can be a clear-cut vote on the amendment as originally offered.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I support the views advanced by the Senator from Delaware. I should like to say that if the definition of a family farmer is one who produces \$35,000 worth of products, then probably there are not more than five such farmers in Ohio.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Will the Senator allow me 1 more minute?

The family farmer in Ohio is one with an average annual income of about \$5,500. When a proposal is made that a farmer shall be eligible for a loan of not more than \$35,000 on each product, so far as Ohio is concerned, it refers to the nonexistent farmers, because Ohio has practically none of them.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. HUMPHREY. Mr. President, may I inquire how much time remains to me.

The PRESIDING OFFICER. Six minutes remain to the Senator from Minnesota.

Mr. HUMPHREY. I shall not spend much time on this amendment, but I am rather surprised to see the lack of understanding of what the farm program is all about. May I relieve the mind of the

Senator from Ohio? If farmers do not produce more than \$5,500 worth of products, they will not get \$35,000.

We are not talking about payments; we are talking about loans. There must be collateral for a loan. The collateral is the commodity. If a farmer does not produce \$35,000 worth of commodities, he does not get \$35,000, whether he is in Ohio, in Minnesota, or in another State.

The purpose of the price support program is not to give somebody who rents out golf club acreage, payments under the acreage reserve, or payments under any other kind of program. The purpose of the price support program is to keep on the farm the man who is in the business of agricultural production as a means of making a living, as a livelihood. The purpose of the price support program also is to provide orderly marketing.

Some of us have lived in a part of the country where, as youngsters, we saw wagons loaded with wheat come to market in July or August. By the time the last wagon go through on the very first day of marketing, the price of wheat had gone down 20 cents, and it was dumped. That took place in the 1920's.

The purpose of the program is to give a farmer a crop loan for 1 year, at a maximum of \$35,000, under my amendment. At the end of the year, he can either redeem the loan or let the commodity go by default. That is what my amendment does. That is the way the Hecht store in Washington sells somebody a washing machine. The purchaser makes time payments—which is the same as getting a loan—and if he cannot pay for the washing machine by the end of the year, Hecht's store gets back the washing machine. It is an old American custom. It is what we call the credit system. But at least retailers have some idea of how many washing machines are going to be purchased. I am trying to get some semblance of order under the price support program. The price support program should be designed to help legitimate agricultural producers.

The Senator from Delaware has proposed an amendment which is just as open to loopholes as is any other amendment. Under the agricultural reserve program, it has been found that there are plenty of legal minds who can find ways to evade the limitation by an individual farmer.

Therefore, many persons would be clever enough to find loopholes in the amendment of the Senator from Delaware, and that amendment is no better than any other amendment. All the Senator from Minnesota is saying is that if we want a price-support program, it should be an effective one.

The Senator from Delaware is against price supports. He has not voted for a farm program. He does not believe in one. Now he proposes an amendment which, while I do not say it will wreck the farm program, will make it much more difficult to have an effective one.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. There is a difference between surgery and assassination.



There is one way in which one can cut the "innards" out of a person. That is not surgery; that is homicide. Or one can pare off tissue that is tumorous or malignant in an attempt to save a life.

I say price-support payments of \$400,000, \$250,000, \$1 million have brought disfavor, shame, and discredit to this program. I want to stop that, but in the process of stopping it, I do not want the program killed by the sidewalk farmers and those who have literally gouged the program. I do not believe in choking the program or killing it. I believe we ought to have a workable program. That is what we are attempting to do.

I do not know whether \$35,000 is a magic figure. In the House, the figure \$50,000 was proposed. I am no "Johnny-come-lately" on this proposition. I proposed similar amendments in this body in 1954, in 1955, in 1956, in 1957, and in 1958.

I did not have much support from the administration of anybody else.

The Senator from Delaware has been a consistent supporter of his proposal. He has an idea which I think is fair. The idea is to limit price supports. I plead that in the process of limiting price supports we not eliminate farmers. Mr. Benson is doing that pretty well right now. He does not need help from us.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I understand all time for debate has expired.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. CAPEHART. Mr. President, will the Senator yield me 2 minutes from the time on the bill?

Mr. DIRKSEN. Mr. President, I yield the Senator 1 minute from the time on the bill.

Mr. CAPEHART. Mr. President, the purpose of the bill is to reduce production to such a point that the free markets in which the farmers sell will provide prices higher than the price supports. If we have that kind of a situation always, there will not be a nickel's worth of surplus in the Government stockpile, and it will not cost the Government one nickel.

What we really are talking about is the deliveries to the Government, instead of the loans. It is proposed to limit the loans to \$35,000, but we really are talking about deliveries. If the farmer gets a loan on his crop, he gets it at the local bank, and he pays interest on it. That does not cost the Government 1 penny. The only cost to the Government comes when the farmer delivers the commodities to the Government. Therefore, we really ought to provide a limit of \$35,000 worth of commodities delivered to the Government, because the loans have absolutely nothing to do with the matter.

The PRESIDING OFFICER. The time of the Senator has expired.

All time on the amendment has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute from the time on the bill.

In that minute I think I can persuade my friend from Ohio that he is absolutely correct.

Mr. LAUSCHE. I thank the Senator. Mr. DIRKSEN. What the Senator is interested in is the type of loan such as the Mississippi Delta and Pine Lumber Co. got, \$781,000. When such a loan is not repaid it becomes a subsidy.

The President in 1956 sent Congress a message in which he said he was interested in a dollar limit on the payment of price supports to any individual. He said that the limit should be sufficiently high to give full protection to efficiently operated family farms. That is what he was interested in.

How many family farms are there? My friend from Minnesota should know this better than I.

Mr. HUMPHREY. And I do.

Mr. DIRKSEN. Perhaps the Senator does, but it has not been evident.

I have only 1 minute, and I cannot yield. Only 3 percent of American farms last year—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 additional minute from the time on the bill.

Only 3 percent of American farms last year had a gross income of \$25,000. There are fewer than 3 percent which had a gross income of \$35,000.

We are interested in all of them. That is the purpose of the Williams amendment. The Humphrey amendment, on a commodity basis, will take the little thin crust from the top. That is the crust we have been trying to get at for a long time, where the abuses are.

The Humphrey amendment ought to be defeated, and the Williams amendment ought to be adopted, if we want to do a good job today.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I yield 3 minutes from the time on the bill to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. I simply invite attention to the fact that we are operating on borrowed time, is an attempt to help a distressed industry. We passed a 15-day resolution, which extended for 15 days the time in which Congress could pass some emergency legislation affecting wheat.

Both of the amendments proposed seek to reach out and bring in all price-

supported commodities. I think the approach is as wrong as it can be. I think the proposed amendments seek objectives far different from the objectives of the bill. If seriously considered, they are going to defeat the very salutary intentions of all concerned on the Committee on Agriculture and Forestry, who are trying to bring some relief to the wheatgrowers and to the public from a program which is piling up more than a billion and a quarter bushels of surplus wheat.

Mr. President, it seems to me completely clear that the only limitation we should consider is the one advanced by the Senator from Delaware and other Senators in the committee, which was a \$35,000 limitation applicable only to wheat, and based upon the conception, that, for the first time, we were having two price support levels on wheat, one at 65 percent for those who planted all their allotments, and the other at 80 percent, for those who took a 20 percent cut.

The proposal to apply the limitation to wheat only has merit, but a proposal applying to the entire field defeats the legislation. It defeats the efforts of the committee, which met six times in an attempt to bring forth remedial legislation. The adoption of either of these amendments would do just that.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, as between these two amendments, if we have the interest of the small farmer at heart, we will take the Williams amendment. The Humphrey amendment would be of help to the millionaire farmer. He would be permitted to take \$35,000 on wheat, \$35,000 on corn, \$35,000 on tobacco, \$35,000 on peanuts, \$35,000 on naval stores, \$35,000 on tung oil, and so forth. It would be the greatest boon imaginable to diversification. But I am afraid it would not be of much benefit to the small farmer.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me 30 seconds?

Mr. ELLENDER. Mr. President, I yield 30 seconds to the Senator from Minnesota on the bill.

Mr. HUMPHREY. I only hope the Senator from Vermont [Mr. AIKEN] has under control the climatic conditions which would provide the variety of crops for a single farmer that he is discussing. It is very interesting. It would almost require omnipotence to provide the variety of temperature and climatic conditions which would enable a single farmer to raise wheat, corn, tobacco, peanuts, naval stores, tung oil, and so forth, all at one time. It is wonderful.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield me half a minute on the bill?

Mr. ELLENDER. I yield half a minute on the bill to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, if what the Senator from Vermont describes cannot be done, why not support the proposal that \$35,000 shall be the maxi-



mum cumulative benefit? The Senator from Minnesota [Mr. HUMPHREY] says that what the Senator from Vermont describes cannot be done. If it cannot be done, then the amendment of the Senator from Delaware should be supported.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the Senator from Connecticut [Mr. BUSH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HENNINGS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL] would vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Montana [Mr. MANSFIELD]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Montana would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Idaho would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Georgia would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. COOPER], and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

If present and voting the Senator from Utah [Mr. BENNETT], the Senator from

Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

The result was announced—yeas 24, nays 52, as follows:

## YEAS—24

Cannon	Humphrey	McNamara
Carroll	Jackson	Morse
Clark	Johnston, S.C.	Moss ✓
Gore	Langer	Murray
Green	Long	Muskie
Hart	Magnuson	Smathers
Hartke	McCarthy	Symington
Hennings	McGee	Young, N. Dak. ✓

## NAYS—52

Aiken	Ellender	Neuberger
Allott	Engle	O'Mahoney
Anderson	Ervin	Proxmire
Bartlett	Fulbright	Randolph
Beall	Gruening	Robertson
Bible	Hayden	Russell ✓
Bush	Hickenlooper	Saltonstall
Byrd, W. Va.	Holland	Schoeppel
Carlson	Hruska	Scott
Case, N.J.	Javits	Smith
Case, S. Dak.	Johnson, Tex.	Stennis
Chavez	Jordan	Thurmond
Cotton	Keating	Wiley
Curtis	Lausche	Williams, Del.
Dirksen	McClellan	Yarborough
Dodd	Martin	Young, Ohio
Douglas	Morton	
Dworshak	Mundt	

## NOT VOTING—22

Bennett	Frear	Monroney
Bridges	Goldwater	Pastore
Butler	Hill	Prouty
Byrd, Va.	Kefauver	Sparkman
Capehart	Kennedy	Talmadge
Church	Kerr	Williams, N.J.
Cooper	Kuchel	
Eastland	Mansfield	

So Mr. HUMPHREY's amendment to the amendment offered by Mr. WILLIAMS of Delaware, for himself and Mr. BUSH, was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART (when his name was called). I ask to be excused from voting on this amendment. I farm on a large scale. If I vote against the amendment, it will be thought that I am doing so for my own personal gain. I cannot vote for the amendment, because I think it will make the farm situation worse rather than better. I withhold my vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana [Mr. CAPEHART] that he be excused from voting? The Chair hears none, and the Senator from Indiana is excused from voting.

The legislative clerk resumed and concluded the call of the roll.

Mr. HENNINGS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Georgia [Mr. TALMADGE], and the

Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. TALMADGE] would each vote "yea."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Maryland would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Maryland [Mr. BUTLER] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Mississippi would vote "nay."

If present and voting the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The Senator from Indiana [Mr. CAPEHART] was excused from casting his vote by the Senate.

The result was announced—yeas 57, nays 20, as follows:

## YEAS—57

Aiken	Frear	Morton
Allott	Gore	Moss
Bartlett	Green	Mundt
Beall	Gruening	Muskie
Bible	Hart	Neuberger
Bush	Hartke	O'Mahoney
Byrd, W. Va.	Hickenlooper	Proxmire
Cannon	Hruska	Randolph
Carlson	Humphrey	Robertson
Carroll	Jackson	Saltonstall
Case, N.J.	Javits	Schoeppel
Case, S. Dak.	Keating	Scott
Clark	Langer	Smathers
Cotton	Lausche	Smith
Curtis	Magnuson	Thurmond
Dirksen	Martin	Wiley
Dodd	McGee	Williams, Del.
Douglas	McNamara	Young, N. Dak.
Dworshak	Morse	Young, Ohio

## NAYS—20

Anderson	Hennings	McClellan
Chavez	Holland	Murray
Ellender	Johnson, Tex.	Russell
Engle	Johnston, S.C.	Stennis
Ervin	Jordan	Symington
Fulbright	Long	Yarborough
Hayden	McCarthy	

## NOT VOTING—21

Bennett	Eastland	Mansfield
Bridges	Goldwater	Monroney
Butler	Hill	Pastore
Byrd, Va.	Kefauver	Prouty
Capehart	Kennedy	Sparkman
Church	Kerr	Talmadge
Cooper	Kuchel	Williams, N.J.

So the amendment of Mr. WILLIAMS of Delaware was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move that the Senate recon-



sider the vote by which the amendment was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, the senior Senator from Kentucky [Mr. COOPER] was unavoidably absent today. On his behalf, I ask unanimous consent to have printed in the body of the RECORD a statement which he has prepared in support of my amendment which was agreed to earlier today. I ask that the statement be printed at the appropriate place in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR COOPER

A commitment to attend the Southern Baptist Convention in Louisville, Ky., required my absence from Washington today. I had been invited some time ago to appear on the program at this convention with my friend, Brooks Hays, formerly Congressman from Arkansas and now a Director of the Tennessee Valley Authority, and was very happy to do so. However, I did not anticipate that the Senator from Delaware [Mr. WILLIAMS] would offer an amendment to the wheat bill today to place a limit on price support payments to farmers and to corporations engaged in farming.

I strongly support the principle of establishing reasonable limits on the amount of Government price support payments, and on price support loans which, when unredeemed, amount to Government payments. While I recognize the fact that price support activities are effective in helping to protect the price for all farmers, regardless of the size of the operation of the individual producer who benefits first and most directly, I am opposed to large payments which in effect encourage production for Government-owned stocks rather than for the market.

Limits are already established by administrative regulations, or by law, for several other kinds of farm programs such as the soil bank, the agricultural conservation program, and the like. The principle I support is properly applied first to these direct payments, and I hope the Congress will continue to review the level of these limitations. Price support loans differ sharply from direct payment plans, for under the loan programs the farmer puts up his crop as collateral for the loan, and if forfeited the Government takes title to this collateral. The crop has value, the Commodity Credit Corporation inventories are not a loss to the country but an asset belonging to the Government, so the amount of the loan is by no means a measure of any subsidy or loss on the support operation.

However, in my opinion the price support programs are designed primarily for the protection of family farms, and especially to help smaller farmers. In my own State of Kentucky, there are very few large or corporate farm operations. The typical Kentucky farmer must work a smaller acreage, and in fact has less income from his farm than the average farmer in the United States. These small family farms must be protected. The bill to establish a second Country Life Commission, which I introduced last year and on which I testified before the House Committee on Agriculture, is designed to encourage and protect family farms and to recognize the importance of rural life to the entire Nation.

It is apparent, from the evidence presented by the Senator from Delaware and others that huge Government payments are be-

ing made to a few individuals under present price support programs. The benefits of our price support programs must continue to be directed primarily toward the farmers who need help most—rather than to highly mechanized farms which have large resources of their own, which are in the best position to produce efficiently and at low unit cost, and which therefore have far less, if any, need of Government price supports.

I have asked that I be recorded in favor of the amendment offered by the Senator from Delaware, Mr. WILLIAMS. If I had been present I would have voted against the substitute offered by the Senator from Minnesota, Mr. HUMPHREY, even though it represented a step in the right direction, in order to have the opportunity of voting for the Williams' amendment, which goes further.

I particularly want to point out that in the operation of the tobacco price support program, the Commodity Credit Corporation makes price support loans to farmers' co-operative marketing associations—commonly known as the tobacco pools—which in turn make the price support advances to individual tobacco growers. I am certain that the amendment of the Senator from Delaware, which has been overwhelmingly adopted by the Senate, does not contemplate applying any limit to loans made to these cooperative associations, which are under contract to the Commodity Credit Corporation as its agents in extending tobacco price supports to farmers. I appreciate the action of the Senator from Vermont, Mr. AIKEN, in making this point clear during the debate, as well as that of the Senators from Delaware and Minnesota in clarifying the language of the amendment adopted by the Senate.

Mr. HUMPHREY. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert:

In the case of any loan to, or purchase from, a cooperative marketing organization, the limitation of \$35,000 shall not apply to the amount of price support extended to the cooperative marketing organization; but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such persons for the purpose of applying such limitation. The term "person" shall mean any individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State or any agency thereof except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent evasion of such limitation.

Mr. HUMPHREY. Mr. President, this matter was discussed with the Senator from Delaware [Mr. WILLIAMS] and the Senator from Vermont [Mr. AIKEN] when the \$35,000 proposal came up. We discussed whether it applied to a cooperative collectively or to the members of the cooperative individually. The Senator from Delaware responded in the affirmative—namely, that the limitation is not upon the cooperative marketing association, as such, but is upon the individual members.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. What the Senator from Minnesota has said is correct; that was the definite understanding—namely, that my amendment applies the limitation to each individual.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. As I said, I was trying to provide that each individual shall be allowed to receive that much, but no more.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. If two or three market collectively, each will be allowed to receive that much, but not a duplication of it.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. I do not think the language now proposed is necessary. But if it is necessary, I have no objection to spelling out the intent.

The amendment is rather long, and I do not believe all of it is necessary. Will the Senator from Minnesota withhold the amendment temporarily? If, upon further study, we find that such an amendment is necessary, I am sure we can reach agreement in regard to it because, as I told the Senator from Vermont, the amendment already agreed to imposes an overall limitation of \$35,000 on the amount which any one person can receive, and provides the mechanics for his receiving it.

So I should like to have a chance to examine further the proposal of the Senator from Minnesota. After we have examined it further, if we then believe it to be necessary, the Senator from Minnesota can offer it later.

Mr. HUMPHREY. Mr. President, I appreciate the attitude of the Senator from Delaware. A number of Senators represent States in which the cooperatives are very important to both agricultural distribution and agricultural production. I realize that the debate which occurs here is a part of the legislative history; but I also realize that debate is not a substitute for statutory language. I hope this amendment will be adopted. If any difficulty about it should develop, the amendment could be clarified in conference, in connection with whatever bill was finally passed by both Houses, rather than to have to rely on an explanatory statement in the RECORD.

I believe there is everything to be gained by pinning down this matter. I say to the Senator from Delaware that my objective is the same as his, and his objective is the same as mine; all of us agree on this point. But I believe statutory language is necessary in this instance, rather than to rely on what we might call the overtones of legislative history. So I believe the amendment should be adopted. After it is adopted, if we find that it needs to be modified, then, as a member of the Committee on Agriculture and Forestry, I say that it can be modified in conference in such a way as to provide for accomplishment of the purpose on which both of us agree.

Mr. WILLIAMS of Delaware. Again, I say there is no difference between what



the Senator from Minnesota wants specifically spelled out in the bill and what I want specifically spelled out in the bill.

I do not believe his amendment is necessary; but if there is any doubt about that in the minds of some, I have no objection to spelling out what we intend.

But I ask the Senator from Minnesota to withhold his amendment, so we can study further the proposed language before we vote on it, because I wish to be sure that we do not open up the matter beyond what we are trying to do.

I repeat that in connection with the amendment as prepared and as offered, there was a definite understanding that under all circumstances each man, each producer, could receive the maximum credit allowed by the preceding amendment, regardless of whether he marketed his crop individually or collectively.

So, Mr. President, if the Senator from Minnesota will withhold his amendment, so we can study it further later in the day, I shall appreciate that very much.

Mr. HUMPHREY. Mr. President, I shall withdraw the amendment—with the option of resubmitting it later—so other Senators may have an opportunity to study it.

Mr. WILLIAMS of Delaware. I thank the Senator from Minnesota.

Mr. HUMPHREY. But I wish to have the amendment agreed to, in order to clarify the preceding amendment.

So, Mr. President, I shall now withdraw my amendment. I shall appreciate it if the Senator from Delaware will look into the amendment and will check on it with the Department. I am asking the staff of the Committee on Agriculture and Forestry to check on the amendment, in order to make sure that it will fulfill the objective on which both the Senator from Delaware and I agree.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. HUMPHREY. Accordingly, Mr. President, I now withdraw the amendment temporarily.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota is temporarily withdrawn.

Mr. HUMPHREY. Mr. President, I submit another amendment, which I ask to have stated; it is my amendment which relates to the price support levels on the production of wheat, including the reduction in acreage.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. Beginning on page 1, in line 5, it is proposed to strike out all of section 106, and to insert in lieu thereof a new section 106.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment I am now offering—it is a portion of the amendment which has been printed—be printed at this point in the RECORD, so a formal record of it will be made. Then I wish to explain the purpose of the amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Minnesota will be printed

at this point in the RECORD, without being read in full.

The amendment submitted by Mr. HUMPHREY is as follows:

Beginning on page 1, line 5, strike out all of section 106 and insert in lieu thereof the following:

"SEC. 106. (a) Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 85 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 20 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344(c) (2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 20 per centum reduction in the farm acreage allotment required under section 344(c) (2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the

value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 20 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 85 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop.

Mr. HUMPHREY. Mr. President, Senators have on their desks my printed amendment to Senate bill 1968.

First, Mr. President, the purpose of the amendment, beginning in line 25, on page 4, and extending through page 5, has already been accomplished by the amendment submitted by the Senator from Delaware [Mr. WILLIAMS]—that is to say, in the case of the limitation of \$35,000.

Second, the proposal relating to cooperative marketing organizations was offered for purposes of debate, but was momentarily or temporarily withdrawn until some of my colleagues have an opportunity to examine it more thoroughly.

Therefore, Mr. President, the amendment now before the Senate is the one on pages 1, 2, and 3, of my printed amendment, and down to and including line 25 on page 4, together with a technical modification which I have sent to the desk—namely, in section 2 of the bill, in subsection (b), on page 5, after the word "producers", in line 11, strike out the word "electing", and in line 12 strike out the word "choice." The striking out of those words, which now appear on page 5 of the bill, is necessitated by the amendment to the first section of the bill. That amendment on page 5 of the bill is simply a technical, clarifying amendment in the part of Senate bill 1968 to which my amendment is offered.

Mr. President, I wish to call the attention of the Senate to the purpose of my amendment. I shall address my remarks to the Senators who now are in the Chamber—who are limited in number, but are not at all limited in quality; the quality is extremely good.

Mr. President, the purpose of the pending wheat bill should be to limit wheat production, on the one hand—because of the excess supply—and, on the other hand, to improve the income position of the farmer who is a wheat producer.

I know there has been a great deal of talk to the effect that we must enact a wheat bill, so the Department of Agriculture can do something about this situation. But, Mr. President, the enactment of a wheat bill is needed because we must do something about the 1 billion bushels, approximately, of surplus wheat



which now are in the possession of the Commodity Credit Corporation; and we need to enact a wheat bill which will permit the wheat farmer to have sufficient income from his production to at least permit him to enjoy a reasonable standard of living.

The Senator from Indiana [Mr. CAPEHART] stated, the other evening, with his usual candor and frankness, a truism; he said that a reduction of the price supports of agricultural commodities would not decrease production; instead, the result would be to increase production. Then he spelled that out. He pointed out that when the price the farmer receives for his agricultural production goes down, the farmer simply produces a little more, in order to obtain the income he needs to have in order to be able to supply the wants of his family and of his business.

Mr. President, my amendment is predicated on the assumption that if we wish to cut back production, we must provide a price-support program which will offer an incentive for farmer compliance.

We would not succeed in cutting back production if we were to provide for 65 percent of parity; instead, there would be greater production. Production would not be decreased by providing for 80 percent of parity and a 20-percent acreage reduction, because farmers would not accept 80 percent of parity, along with a 20 percent acreage reduction, when they could have 65 percent of parity and could produce all they wanted to produce on the 55 million allotted acres.

The purpose of the Humphrey amendment is made all the more evident by the action which the Senate has just taken in limiting the amount of price support loans to \$35,000, in this instance to any one farm.

I tried to point out awhile ago that it is not likely that a cotton farmer, for example, will engage in rice production or wheat production overnight, because there is such a large investment in any one particular kind of farming. Therefore, my amendment was offered on the basis of putting a ceiling of \$35,000 on crop loans for any one major commodity. I believe in a ceiling on crop loans.

The Senate having acted so decisively in restricting to \$35,000 the maximum crop loan that any one farm or any one farmer can have, there is an extra incentive provided in my amendment in terms of cutting production. Furthermore, there surely are some guarantees as to how much money the taxpayer will have to put into this program.

My amendment will, in the first place, reduce production. It will reduce acreage 20 percent. My amendment provides a price support loan of 85 percent of parity on the bushels of wheat to be produced on the remaining acres. But the limitation of \$35,000 has already been voted into the bill, so there is an extra protection to the taxpayer in terms of any obligation on the part of the Federal Government with regard to crop loans.

I had provided for all this in one amendment. The amendment which I had placed at the desk last evening pro-

vided that acreage allotments would be cut 20 percent.

It provided a limitation of \$35,000 in price-support loans to any one person in any one year.

It provided a payment in kind for diverted acres not used for a harvested crop or for grazing.

It prevented planting of any price supported crop on diverted acres.

My amendment, which was proposed to the committee bill, imposed penalties on the actual yield of the excess acres, or double the normal yield, if the actual yield was not shown.

It provided a price support at 85 percent of parity, to encourage participation.

The amendment increased the marketing penalty to the basic support rate, which was 85 percent of parity.

My amendment reduced the 15-acre exemption to 12 acres, and restricted it to farms which planted wheat in 1957, 1958, or 1959.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I wish to commend the Senator from Minnesota for the clear statement he has made. As a result of the reduction in income, farmers will have to produce more in order to get as much income as they previously did.

If I may, I should like to talk about the bill for a moment, because I think my statement will fully support the position which has been taken by the Senator from Minnesota.

Let us use a hypothetical case which, however, is based on actual data. I have before me the number of farms by allotment acres in the three principal wheat crop reporting districts in the State of Colorado. The report covers 17,153 farms.

Let us assume that the yield of wheat per acre is 22 bushels. I think the 1959 support is 75 percent of parity, which today amounts to \$1.82 a bushel.

Let us assume a Colorado farm with a 500-acre wheat allotment, 250 acres of which go into planting and 250 of which go into summer fallow. Two hundred and fifty acres at 22 bushels an acre equals 5,500 bushels. At a support price of \$1.82, that amounts to \$9,955. Earlier in the debate the distinguished Senator from Minnesota talked about 500 acres. I am now talking about a Colorado wheat farm with a 500-acre wheat allotment.

Let us look at plan A.

Mr. HUMPHREY. Does the Senator refer to plan A in the committee bill, providing 65 percent of parity?

Mr. CARROLL. Yes, 250 acres at 22 bushels an acre gives a total of 5,500 bushels. If wheat is supported at 65 percent of parity, which is \$2.37, it amounts to \$1.54 a bushel; \$1.54 times 5,500 bushels gives us \$8,470.

I am referring to a dry land area, where there is no opportunity for diversification or rotation of crops. The farmer in that area today is struggling because of the price-cost squeeze.

Under this proposal, that farmer's income would be reduced \$1,485, or from

12 to 14 percent, under plan A of the bill.

Mr. HUMPHREY. But if the farmer selects that particular option, there will be no reduction in production.

Mr. CARROLL. The Senator is exactly correct. So the proposal does not go to the core of the problem, as the Senator from Minnesota has said. The question involved is how to reduce production. The proposal does not go to that problem at all. As a matter of fact, it will stimulate production, because of the tremendous loss in income to the farmer.

Under plan B, which is 80 percent of parity, if the farmer takes a 20-percent acreage cut, on the same 250 acres, the number of acres left in production will be 200. The farmer will be cutting production in order to get 80 percent of parity. Eighty percent of \$2.37 is \$1.90. But the number of bushels produced has been reduced from 5,500 to 4,400.

What does the Senator think the loss to the hypothetical farmer will be? Under plan B, the loss will be greater than it will be under plan A, because his loss will be \$1,595.

As I understand the amendment of the distinguished Senator from Minnesota, it is designed to increase the percentage parity. It also contains a cut-back in production. Is that correct?

Mr. HUMPHREY. Yes.

Mr. CARROLL. I have not had an opportunity to compute the figures, but I am afraid that the adoption even of the amendment of the Senator from Minnesota will result in reducing the income of the 500 acre farmer in Colorado to which I have referred.

I did not want to interrupt the statement of the Senator from Minnesota, but his explanation was so lucid, namely, that our problem is how to cut production and still not destroy some of the family farms in America, that I thought I should interrupt.

Mr. HUMPHREY. I will say to the Senator, his figures are most helpful in terms of gaining better understanding of what we are talking about. We are talking about dollars and cents, about bushels, and about acreages.

The Senator has discussed the committee bill, in part. The Senator has discussed the provision for 65 percent of parity at the full acreage allotment of 55 million acres. The Senator has discussed the option of 80 percent of parity with a 20-percent reduction in the allotted acreage.

My proposal is different. My proposal is that if a farmer cuts 20 percent of his acreage he will receive 85 percent of parity. If he does not, there will be a greater reduction. If the farmers do not vote for marketing quotas—in other words, if the farmers turn back the program of a 20 percent reduction in acreage in order to obtain 85 percent of parity—then the farmers will receive only 50 percent of parity for production on the allotted acres.

I want the Senate to understand that the wheat bill which is before us is a tough bill. Let us make no mistake about it. The pending wheat bill, Mr. President, will do a lot of things. It will reduce the 15-acre exemption to 12



acres. That is a 20 percent reduction for the small farmer. The bill will increase the marketing penalty to the basic support rate, which will mean the farmer will have a real penalty if he overplants or overmarkets. The bill will impose penalties on the actual yield on any extra acres.

The present law, as an example, imposes penalties, but not upon the actual yield, only upon a small percentage of the actual yield.

Furthermore, Mr. President, the bill provides that there shall be no price supports whatsoever for those who do not cooperate with the program under allotments or marketing agreements.

Speaking now with respect to the committee bill, regardless of what we do as to the price support levels, the bill will tighten up the present law. It will reduce the 15-acre exemption to a 12-acre exemption. It will increase the penalties. It will lift the amount of penalty for the actual production on excess acres. Furthermore, it will take price supports away from those who do not comply, or who are noncooperators.

Mr. President, I will conclude my argument as to the amendment by asking a series of questions, which I think have built within them the answers.

What is the purpose of the Senate in dealing with proposed wheat legislation? We already have wheat legislation on the books. The purpose of the Senate is to design legislation which will reduce production and will start to reduce the great wheat inventory in the Commodity Credit Corporation stocks, at the same time without imposing a heavy penalty upon the farmers who are complying with the program by causing a sharp drop in farm income.

Furthermore, the purpose of the farm program which we are talking about today is to see to it that as we curb wheat production we do not inflate other production. The Senator from Minnesota has proposed the only amendment which has what we call cross-compliance. I will say to my friends, I have heard much loose talk, in Congress and out, in the press and in the magazines, about the fact that when we ask farmers to divert acres, to take acres out of production of wheat, the farmers put those acres into the production of sorghums or of some other type of feed grain. The Humphrey amendment has strict cross-compliance, and when 20 acres are taken out of production it will mean 20 acres will be out of production even to the point where there will be no grazing, and nothing will be planted on them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. What else do we wish to do for the farmer who takes acres out of production? We plan to give him one-third of his average yield on such acres, to be taken out of the Commodity Credit Corporation stocks.

In other words, let us assume that 20 acres are taken out of production, and the average production is 20 bushels to the acre. That would be 400 bushels; 400 bushels would be the average production on the 20 acres taken out of production. We would then give to the

farmer one-third of those 400 bushels, to be taken out of the Commodity Credit Corporation stocks, for a payment in kind because he complied with a farm acreage and production reduction program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. In other words, the farmer will receive approximately 133 bushels as a payment in kind for a real compliance.

If we want to have a production cut we will have to get tough about it, or we will not get it done. I hope the Senate will have as much courage in cutting production as it has had with regard to income.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me some additional time, from the time on the bill?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota from the time on the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. I shall take only a minute.

First, I wish to say that I shall support the amendment of the Senator from Minnesota because it is better than what we have before us. However, I much prefer the wheat stabilization program for wheat, which the Senator from Kansas and I have supported in the Senate for some time. I understand that the wheat stabilization amendment of the Senator from Kansas will be offered later this afternoon. I have to make a decision now as to what I shall do with regard to the Humphrey amendment. I shall support the amendment, because even if we adopt the amendment we will not close the door, necessarily, to the wheat stabilization program.

Mr. President, I should like to state briefly my reasons for supporting the Humphrey amendment. It has become increasingly evident that action is necessary to reduce the wheat inventory carried by the Commodity Credit Corporation. Intelligent action demands, however, that we assure ourselves that what we do will accomplish our objective. The bill, as reported by the committee, will not, in my judgment, do what its supporters want to accomplish. Therefore, for the purpose of strengthening the chances of effective operation, I shall support the amendment of the Senator from Minnesota to provide for an 85 percent of parity price support with a 20-percent reduction in the allotted acreage. I say that as a Senator from one of the great wheat producing States of America.

To do otherwise would mean that we expect the farmers to absorb all the financial burden. How can we expect the farmer willingly to cut his own economic throat? We must provide some sort of an incentive for the farmer.

I understand that even if the Humphrey amendment is adopted the income of the farmers will be slightly less than the income they receive under the present 75 percent of parity support prices. My own inclination is for a stronger incentive, along the line of the proposal for a 30-percent reduction in acreages with 90 percent of parity price supports. Certainly we ought to provide some sort of economic umbrella for the protection of the wheat farmers.

Mr. President, I close by saying to the wheat farmers of my State that Mr. Floyd Root, of Waco, Oreg., president of the National Association of Wheat Growers, is present at the Capitol and has been listening to the debate. I have consulted with him on various occasions during the debate. Although he and I stand shoulder to shoulder in favor of the wheat stabilization plan, which will be proposed later this afternoon by the Senator from Kansas, he agrees with me that the Humphrey amendment would improve the committee bill in that it would permit less wheat production, but at the same time an improved parity price. In view of the clear case which exists for the need for some change in the wheat program, I am pleased to notify the Senator from Minnesota that I shall support his amendment because it will deal with the problem temporarily without seriously reducing the wheat farmers income.

Mr. HUMPHREY. I am very grateful to the Senator from Oregon.

Mr. President, I ask unanimous consent to have my explanation of the amendment printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

HUMPHREY WHEAT AMENDMENT—BRIEF EXPLANATION OF S. 1968 AS AMENDED BY SENATOR HUMPHREY

The bill as amended would accomplish four major objectives:

1. Curb production of wheat and thus hold down the inventory of Commodity Credit Corporation;
2. Curtail tax expenditures through reduced takeover and limitation on size of loan;
3. Establish a price support at a realistic level that will encourage compliance with the allotment reduction without a drastic reduction in farm income;
4. Provide program benefits only to those who comply with the regulations.

This bill, with respect to the 1960 and 1961 wheat crops, would—

1. Reduce farm-acreage allotments 20 percent;
2. Limit price support to any person in any year to \$35,000;
3. Provide a payment in kind for diverted acres not used for a harvested crop or for grazing;
4. Prevent planting of any price-supported crop on diverted acres;
5. Impose penalties on the actual yield of the excess acres (or double the normal yield, if the actual yield is not shown);
6. Provide price support at 85 percent of parity, to encourage participation;
7. Increase the marketing penalty to the basic support rate (85 percent of parity);



8. Reduce the 15-acre exemption to 12 acres and restrict it to farms which planted wheat in 1957, 1958, or 1959.

In addition, it would permanently repeal authority of Secretary of Agriculture to support prices to noncooperators for wheat, cotton, rice, peanuts, or tobacco.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield now to the Senator from Colorado.

Mr. CARROLL. Let me say to the distinguished Senator that I have talked about plan A and plan B, as contained in the proposed legislation. I now examine the so-called Humphrey amendment. I observe a much better position with reference to the loss of income to the farmer. Why? Because he would get 85 percent of parity; although I think the record should be clear that that still represents a loss of income to the farmer.

Mr. HUMPHREY. The Senator is saying that it represents a loss on the basis of a crop loan; but the purpose of the Humphrey amendment is to raise the market price. The crop loan is not supposed to be a ceiling, but rather a minimum. Is the Senator referring to the loss of income in terms of price support loans?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. Mr. President, may I have an additional minute to propound a question to the Senator from Minnesota?

Mr. ELLENDER. I yield the Senator from Colorado 2 minutes out of my time.

Mr. CARROLL. I thank the distinguished Senator from Louisiana.

Mr. President, some of us do not understand what is meant by payment in kind. This amendment may enhance the value of the legislation to the farmer.

Mr. HUMPHREY. The amendment does provide better income on price support loans than the other proposals before us.

Second, I think the Humphrey amendment would raise the market price. I have in my possession—and I hope to be able to present it later in the debate—an article showing how the market price is affected by the 105 percent of the price support price which the Commodity Credit Corporation has as its disposal price in the free market. When the Commodity Credit Corporation sells, it must sell at 5 percent above the price support loan price.

Therefore, when the farmer gets 85 percent of the price support, it is a better market price in the free market than an 80 percent price support.

Payment in kind means an added benefit to the farmer. It represents not dollars to the farmer, but wheat which he can use as feed on his farm. We give him one-third of the average annual production on what we call his lost acres, or diverted acres. If 50 acres go out of production, and the average production is 20 bushels to the acre, that represents 1,000 bushels. So the farmer gets one-third of 1,000 bushels, or 333⅓ bushels, as a gift from the Commodity Credit Corporation, or as an incentive payment to comply with strict cross-compliance.

My program is a cross-compliance program. We do not take 20 percent of wheat acreage out of production and put it in grain sorghums. We put nothing on those acres. In other words, we reduce production by helping price; and in helping price, we help income. At the same time, we take from the Commodity Credit Corporation a substantial amount of grain as payment in kind.

Mr. CARROLL. I thank the distinguished Senator for his explanation. There is no doubt in my mind that his amendment is far superior to the pending bill, and would be better for the farmer. It would be better from the standpoint of income. Also, I sincerely hope that it will curb production to some extent.

As the distinguished Senator has said, this is a difficult problem. I feel that the Senator's amendment is a step toward solution of that problem.

Mr. President, I shall vote for the Humphrey amendment.

Mr. HUMPHREY. Mr. President, I thank the Senator from Louisiana for his generosity in yielding additional time to me. He is very kind.

Mr. ELLENDER. Mr. President, I understand that I have 13 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. ELLENDER. I yield myself 8 minutes.

Mr. President, the pending bill would reduce the support price for all farmers who plant the full amount of their allotted acreage. Those who agree to reduce their acreage by 20 percent would obtain an 80 percent of parity price support.

The Humphrey amendment is very cleverly drawn. In my judgment, it would seem to give the farmer more money than he would obtain if the program were to continue as it is now in operation. The 65 percent formula written into the pending bill would give to the producer a price support of \$1.53 a bushel. Those who elect to plant all their acreage would receive \$1.53 a bushel. Those who reduced their acreage 20 percent would receive, under the terms of the pending bill, \$1.89 a bushel, whereas, under the Humphrey amendment, those who reduced their acreage 20 percent—and that reduction would be made obligatory, by the way—would receive \$2.01 a bushel.

Aside from receiving a larger support price on the 20 percent of the acreage which is not planted to wheat, if the farmer desires not to utilize the land at all, either for pasture or for any other purpose, he would, under the Humphrey amendment, receive a payment in kind from the excess surplus wheat we have on hand, equal to a third of what the farmer would have produced if he had planted those acres.

I am quite certain that the farmer would follow the same course which has been followed in the past. With a reduced acreage, the farmer uses a little more fertilizer and plants a little more wheat. With a price support of \$2.01, it would probably pay him to do that. I

feel confident that the result would be that we would end up with almost as much wheat as we now produce at a greater cost to the Government.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The Senator is not unmindful of the \$35,000 limitation on crop loans, is he? This is the real lid on the total cost to the Government.

Mr. ELLENDER. Nevertheless, the cost to the Government would be increased, whether we had a limitation or not, on smaller farms whose production is less than the \$35,000 limitation.

I did not hear the distinguished Senator say anything on this point, but his amendment provides that in the event the farmer chooses to plant to other crops the number of acres which he does not plant to wheat he could do so, provided such alternative crop is not subject to price supports. That is correct; is it not?

Mr. HUMPHREY. Yes; if the Senator can think of one.

Mr. ELLENDER. There is alfalfa hay, broom corn, vegetables, particularly potatoes for example.

Mr. HUMPHREY. Carrots, spinach.

Mr. ELLENDER. Yes; and other crops. He could also produce chickens, and eggs. The point I am trying to make is that the farmer has two alternatives; either he can leave the 20 percent unplanted or he would receive from the Government a third of the wheat that he would have produced on those acres. Then if we take the value of that wheat and add to it the value of the increased crop that would be produced on 80 percent of his allotment, my guess is that the farmer's income would be much greater than if he complied with the law as it now exists.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARROLL. I agree with the Senator, that not only under the Humphrey amendment but under the language of the bill the same thing would be true. For example—and I shall be very brief—let us take plan A, with 65 percent of parity. I have used a farm situation in my own State to show what that would mean to a small farmer. In my example it would mean that whereas he would get \$9,955 today, under plan A, with 65 percent of parity, he would lose 15 percent. Under plan B, the same farmer with a 20 percent acreage cut, would lose much more than under plan A. The reason I am for the Humphrey amendment is that, even though we would pay him \$2 as the support price, we would also reduce his production, and, instead of taking a 15 percent loss, he would be taking a 10 percent loss. That is the small farmer who is struggling to get by.

The committee bill will not reduce production at all.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I have pointed out that the pending bill offers the prospect of a reduction in the production of wheat by 130 million bushels to as much as 200



million bushels—or, in other words, production about equal to consumption, plus exports and seed.

Mr. CARROLL. Mr. President, will the Senator yield further? Is it not a part of the Democratic party's philosophy—

Mr. ELLENDER. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. CARROLL. I merely wished to ask a question. I always thought it was a part of the Democratic Party's philosophy that cutting a farmer's acreage does not necessarily mean that production on that farm will be cut, because he will apply more fertilizer and work harder to make up his production. I have always thought that was the Democratic Party's philosophy.

Mr. ELLENDER. If the Humphrey amendment is agreed to, that will be the case. I yield 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate the fact that the distinguished Senator from Minnesota has offered an amendment which he feels will be helpful in the wheat producing area. I cannot support it. It makes a mandatory 20-percent reduction in the present allotment of acres. I wish the record to show that the wheat farmers in Kansas and in the wheat States are complying with our allotment program. The Kansas wheatgrowers planted 17.8 million acres, or approximately 18 million acres in 1951. The allotment acreage for Kansas wheatgrowers is 10.5 million acres. If they took a cut of 20 percent, it would reduce the allotment acreage to approximately 8 million acres. Our farmers cannot take that large a cut.

That is one reason.

The second reason is that I do not believe it will reduce production. I believe it will build up our surpluses and will continue to build them up. I have great doubt that the bill as proposed by the committee will reduce production. I believe I am safe in predicting that we will have a surplus of at least 75 million bushels under the committee bill.

Therefore, I am unable to support the bill or the proposal submitted by the Senator from Minnesota.

I hope to offer this afternoon an amendment providing for domestic parity, at which time I shall discuss it.

Mr. ELLENDER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Does the Senator yield back his remaining time?

Mr. MUNDT. I have been yielded 4 minutes by the minority leader. He is not in the Chamber.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 4 minutes.

Mr. MUNDT. Mr. President, I rise in support of the Humphrey amendment. I voted against S. 1968 in committee because it is a bill which, while it is designed, perhaps, to reduce wheat production by a little bit, it certainly would

reduce the income of the wheat farmers substantially. If we are to compel a reduction in production in a man's livelihood, in the factory that he owns as his farm, we must provide some compensatory factors which will not necessitate the farmer himself taking all the loss of money because of the necessity of reducing production.

Consequently, as between the two alternatives—and I am not very happy with either one of them—the Humphrey amendment and S. 1968—I shall support the Humphrey amendment, because it at least moves in the direction of providing compensation to the farmer for the fact that he is reducing his income when he reduces his acres.

Since we are compelling him in S. 1968 to take the Hobson's choice between struggling along with 65 percent parity, while maintaining his farming operation within the allotted acreage, which seriously would curtail his income, and plan B, under which he would receive only 80 percent of parity if a 20-percent reduction is made in his acres, I prefer the Humphrey substitute, which at least raises that second figure to 85 percent of parity.

Even so I point out that with the change in the parity formula we are not talking about giving any bonus to the wheat farmer when we talk about giving him 85 percent of parity. He will be lucky if he can maintain his level of income, because he would have reduced by 20 percent the production on which he received that 85 percent of parity.

I really believe that with the alternatives before us, the domestic parity proposal, which I understand will be put forward in the form of an amendment by the Senator from Kansas [Mr. CARLSON], is the optimum choice.

We are confronted with the urgent necessity of doing something about wheat, because we have this tremendous surplus on hand.

I point out that the surpluses are a national problem. Consequently we must bring into focus national resources in solving it. My major point of disagreement with S. 1968 is that we would, under it, try to solve a national problem through the pocketbook of the individual farmer. That is neither good economics nor good ethics, because the individual farmer is not responsible for the fact that under prevailing laws and programs we have this bounty of wheat which we have been unable to dispose of profitably, nor for the good weather which has given us an all-time high production in the crop year immediately past.

I believe that the farmers, under a temporary stopgap measure, can live with the Humphrey substitute. I do not believe it will give them what they should have. Neither will it give them the parity income to which they are entitled. It will not do for them what Congress has already done for labor in writing a minimum wage bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. May I have the minute which was yielded to me conditionally?

Mr. AIKEN. I yield 1 minute on the bill.

Mr. MUNDT. It will not do for the farmer what Congress has done for the maritime industry. It will not do for the farmer what Congress has done for the publishing industry. It will not do for the farmer what Congress has done for the aircraft industry. But it will give recognition to the fact that if curtailment in production is made mandatory by law, at least some compensation should go to the farmer by way of a little higher percentage of parity than he would otherwise receive. I urge Senators to support the Humphrey amendment.

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining on the amendment.

Mr. AIKEN. I will yield back the time remaining to me if the Senator from Louisiana will yield back the remainder of his time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SYMINGTON. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The question first comes on the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. All time for debate having expired, the question is on agreeing to the amendment of the Senator from Minnesota.

Mr. SYMINGTON. Mr. President, I offer an amendment to the amendment of the Senator from Minnesota to reduce farm acreage allotments by 22 percent instead of 20 percent.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. Wherever it occurs, in the amendment of the Senator from Minnesota, it is proposed to strike out "20 percent" and insert in lieu thereof "22 percent."

The PRESIDING OFFICER. The amendment of the Senator from Missouri to the amendment of the Senator from Minnesota is to reduce farm acreage allotments 22 percent. The Senator from Missouri has 15 minutes.

Mr. SYMINGTON. Mr. President, few would deny the seriousness of the present wheat situation.

The Commodity Credit Corporation as of March 31, 1959, had more than \$3 billion invested in wheat. More than \$2.1 billion of this is owned by the Government and is stored in warehouses, bins, Liberty ships, and elsewhere throughout the country.

Last year, with especially favorable weather conditions, wheat production established an all-time record of 1,462 million bushels. The estimate for the 1959 wheat crop is some 1,200 million bushels. At the same time, our needs for domestic and export purposes are approximately 1 billion bushels.

This means that in 1959, based on the Department of Agriculture's estimate of production, some 200 million bushels will be added to the present supplies. Storage costs on this inventory are phenomenal.

This situation cannot continue; something needs to be done. Public feeling



over the failure of this program is increasing.

The Secretary of Agriculture has failed to present to Congress realistic proposals to meet the situation. Despite the fact that the past 6 years have proved that his lower price theory for solving the farm problem has not worked, all his recommendations involve further cutting of the price for wheat.

The Committee on Agriculture and Forestry has worked long and hard in trying to come forth with a sound program for dealing with the wheat crisis. It is faced with an almost impossible task of molding the divergent views of the farm organizations.

Mr. President, the problems faced in solving this wheat situation can be caped into three or four areas.

First, we must take positive action to bring production in line with realistic need. There are two alternative ways of accomplishing this. One is to increase the use of wheat. There are millions of hungry people throughout the world for whom our wheat would be a godsend. It is toward this end that I introduced a bill to require 25 percent of our foreign aid funds to be in the form of surplus agricultural commodities.

It is also toward this end that I joined the distinguished Senator from Minnesota [Mr. HUMPHREY] in sponsoring the food-for-peace bill.

As too often has been the case, the administration has opposed these bills, as well as other constructive approaches introduced both in the Senate and in the House.

Nevertheless, I am confident the leadership in Congress will take action on these and other measures designed to use greater quantities of wheat and other commodities as a blessing instead of an economic curse.

The best efforts along this line are not enough to utilize the productive capacity of the American wheat farmer. Therefore, it is essential that we take action to adjust production more nearly in line with requirements.

According to Department of Agriculture technicians, a reduction in acreage of approximately 20 percent below the 55 million national allotment now in effect would, under normal weather conditions, bring an approximate balance to supply and demand.

Mr. President, unless we take action and reduce production by at least this much, we will not have effectively dealt with the brunt of the wheat problem. Any lesser reduction will only add to the inventory. Wheat farmers, through their organizations, have indicated a willingness to make such a reduction.

As with all farmers, the wheat farmer is faced with high fixed and increasing variable costs. In order to meet his obligations and maintain a minimum standard of living for his family, he needs a certain minimum number of dollars. Volume times price minus costs gives him this minimum number of dollars. If his volume is to be reduced 20 percent, the wheat farmer needs a commensurate increase in price.

These are the basic economic facts of life facing the American farmer and

which the administration in the Department of Agriculture has ignored during the past 6 years.

Therefore, if we are to solve the wheat problem, if we are to bring production into line with demand, then we must reduce allotments. To encourage compliance, price supports will be increased by 10 percent.

This is the type of proposal which I presented to the Committee on Agriculture and Forestry, and which a number of the members of the committee supported. It is now pending as an amendment to the bill.

This approach has the support of the National Association of Wheat Growers, the Farmers Union, and I believe the vast majority of the commercial wheat farmers in the United States.

If we really want to solve the wheat problem, the adoption of this amendment is of paramount importance.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. HUMPHREY. It is always gratifying to have the active support of the distinguished Senator from Missouri in matters of agricultural policy, and in other matters, as well.

The Senator from Missouri has discussed not only the amendment which is now before the Senate, but also the whole farm problem in its broadest dimensions. The truth is that once in this country when a farmer received some price support he complied with the program; he engaged in acreage reductions and marketing quotas; he limited his productive capacity; and the Nation had a good farm program.

This administration has sold the American people a bill of goods—and cheap goods, at that. It has proposed a pretty lousy bill, too; namely, that by reducing prices and price supports, production will be reduced. I challenge the administration to produce one scintilla of evidence in behalf of so fallacious an assumption.

What is more, the administration's program is bent in one direction—namely, toward lower price supports with, at the same time, no controls.

A referendum was taken among corn farmers in all the commercial corn areas of the Nation. They are spread throughout the Nation. The referendum was participated in by less than 20 percent of the eligible voters. Only 20 percent participated, because those who were eligible did not really have anything to vote on; they had only a choice between two bad programs. So they took the one that imposed the least control and provided a guaranteed price of approximately \$1.10 a bushel.

Mr. President, if nothing else comes out of this debate, I want to go on record as follows: More corn will be produced this year than in any other year in the Nation's history, unless an act of God results in a drought or unless some pestilence limits production in the corn-producing areas.

Mr. President, in the State of Minnesota, which is known for its corn production, the largest acreage has been

planted to corn this year in the history of the State. So there will be more corn production than ever, and under what terms? Under the terms of the administration's program; and although the administration says its program will result in a decrease in production, actually it will cut the heart out of the agricultural economy. Mr. President, more limitations of that sort are being proposed year after year. But, thank goodness, some of us are standing up and fighting to provide the agricultural minority of the people of the country with some protection and some help.

I thank the Senator from Missouri for yielding to me.

Mr. SYMINGTON. Mr. President, I thank the Senator from Minnesota for his remarks in regard to protecting the agricultural segment as well as other segments of the country's economy.

Mr. President, in February of this year the Secretary of Agriculture promised the distinguished chairman of the Committee on Agriculture and Forestry that he would submit an omnibus bill. That was 4 months ago, Mr. President; and the Secretary of Agriculture has not yet fulfilled that promise.

Mr. President, it has become clearer and clearer that the basic concept of price support and production adjustment are being disregarded. Certainly production controls are not being enforced. And certainly there cannot be price supports unless the controls are enforced.

Mr. President, I yield to the distinguished chairman of the Committee on Agriculture and Forestry the remainder of the time available to me.

Mr. HUMPHREY. Mr. President, at this time will the Senator from Missouri yield to me, so that I may ask that the yeas and nays be ordered on the question of agreeing to my amendment?

Mr. SYMINGTON. Mr. President, I have already yielded to the Senator from Louisiana the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. ALLOTT. Mr. President, I am very happy to speak on a subject which probably is as close to my heart as any subject in the world. But I must decry some of the reasoning which Senators have stated in regard to what is a minority of the population of the country; and it has been becoming an increasing smaller and smaller minority, not only during the Republican administration of the last 6 years, but also during the preceding years since 1930, and even prior to that time.

Mr. President, I do not wish to discuss this subject on a political basis; but neither am I willing to remain silent when I hear the administration castigated. Instead, I rise to its defense.

I am sorry the Senator from Minnesota has had to leave the floor for a moment. I hope he will return before I conclude my remarks, because I wish to address myself particularly to some of the remarks he made.



Unfortunately, Mr. President, in dealing with this matter Senators have used false syllogistic reasoning. As you will recall, Mr. President, a syllogism includes a major premise, a minor premise, and a conclusion. Senators have stated fairly well the major premise; but when they came to the minor premise and the conclusion, they have fallen into error.

For many years we had what is known as a high, fixed parity in the case of wheat and other agricultural commodities. Then we provided for flexible supports. I believe the theory of all who supported the flexible supports, especially in connection with the soil bank program, was that the combination of the two would bring about a balance of demand and supply which would tend to raise the prices of the agricultural commodities over the supported prices.

The statement—which has been made over and over again on the floor of the Senate—about what will happen simply by raising the support prices of these agricultural commodities is false. Because the flexible supports have been accompanied by increases in production, it is assumed—and this is where Senators fall into error in their reasoning—that if the supports are raised, the quantity of agricultural production will be reduced.

Mr. President, that is the greatest mistake any person who approaches this problem could possibly make. The reduction of the support prices is not the only cause of the increase in agricultural production. Another cause is the improved technology which has been applied to farming, and has permitted farmers to produce more and more and more from the same acreage as time has passed. That has been true, not only in the case of wheat, but also in the case of corn, cotton, and potatoes.

So, Mr. President, this problem should not be approached on the basis of a belief that simply by raising the support prices it will be possible to take care of some of the major problems—namely, the huge surpluses now in the hands of the Government and also the overproduction of goods.

Mr. President, I was going to submit an amendment—which I shall not submit now—but one of the weaknesses of the amendment of the Senator from Minnesota is that it calls for payments in kind. Mr. President, what would become of those payments in kind? It is true that, under his amendment, they would not be subject to a support price. But what would the farmer do with the wheat paid to him in kind? The wheat producer is not a cattleman; and—contrary to what we sometimes hear—wheat does not make good feed; at best, it is only a substitute feed for cattle. So what would become of the wheat?

In other words, under such a program, nothing would be done about the oversupply of wheat, because the wheat would still be in sight, whether it was in the storage bins or whether certificates for it had been given by the Government agency to the farmer; in any case, the wheat would still be there; nothing would have been done with it.

Mr. CARLSON. Mr. President, on that point, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. CARLSON. I believe the Senator from Colorado has made a very pertinent statement in regard to the provision of the Humphrey amendment for payments in kind. The Senator from Colorado knows as well as I do that in the Wheat Belt such payments in kind could not be fed; all the farmers could do would be to sell the wheat or use it; as I understand, they would not be allowed to obtain a loan for it, but only to sell it or use it.

Mr. ALLOTT. The farmer could sell it, but he could not obtain a support loan on it.

Mr. CARLSON. And, of course, that would have a serious effect on the market for wheat, provided the payments in kind were substantial.

Mr. CARROLL. Mr. President, will my colleague yield to me?

Mr. ALLOTT. I yield.

Mr. CARROLL. I asked the Senator from Minnesota that very question, because I did not understand what he meant by "payment in kind." I may be mistaken; but I understand that the wheat could be given to the farmer from the wheat in the Commodity Credit Corporation warehouses; and, if the information which I have received is correct, the farmer could sell the wheat on the open market for the market price.

Mr. ALLOTT. Yes, he could sell the wheat or he could feed it or he could do anything else he wanted to do with it, except receive the support price for it.

The PRESIDING OFFICER. The time yielded to the Senator from Colorado has expired.

Mr. ALLOTT. Mr. President, will the Senator from Louisiana yield 5 additional minutes to me?

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Louisiana has 11 minutes remaining under his control, inasmuch as the Senator from Missouri [Mr. SYMINGTON] yielded 6 minutes of the time available to him to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 additional minutes.

Mr. ALLOTT. I thank the Senator from Louisiana.

The question of payment and repayment in kind is not new. It is a question which has been discussed at farm meetings all over the country. But the proposal will have a secondary effect which can be quite dangerous as far as the bill is concerned. If the great wheat producing areas of the country were to reduce acreage by 20 percent and the farmers were paid back in kind, the only thing they could do with the wheat is put it on the market as secondary feed. When they do that, it immediately affects prices of other grains and grain feeds, especially grains which are used as sub-

stitute feed in the great wheat producing areas. So not only would grain feed prices be affected, but we would get into the question of what would happen to the price of livestock.

I have discussed the latter problem with many economists. None of them are able to predict what will happen. The ones I have talked to think that eventually there will be a lowering of cattle prices, which at the present time are pretty good.

I agree that the purposes enumerated by the Senator from Minnesota are good. The objective is to cut back production, keep up income, reduce surpluses and Government stockpiles, and not support other surplus crops.

However, if the amendment of the Senator from Minnesota were adopted—and, of course, I am not in favor of the 22 percent provision for the same reasons the Senator from Kansas said he could not support the 20 percent provision—we would not be helping the problem of Government surpluses one iota. Instead, we would be opening a Pandora's box of other troubles with respect to secondary problems which would then plague us.

The Senator from Minnesota has said he will stand up and fight to protect the minority. Let me say to my friends in the Senate this is not a political question. The farmers of Louisiana are small farmers, as are the farmers of Colorado, the farmers of Kansas, the farmers of Indiana, and the farmers of other States. This is not a political question. The minute we put this question on a political basis, we shall get no farm legislation.

So far as making the administration the whipping boy on the question, let me say it is the responsibility of Congress to legislate on this subject. For 4 years, while I have been in the Senate, we have seen this problem growing and expanding. Congress has not legislated on the matter. I, for one, will not see the administration made the whipping boy when it is the responsibility of Congress to legislate in this field and when, so far, it has not done so.

I thank the Senator from Louisiana for yielding time to me.

Mr. SYMINGTON. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Missouri has 6 minutes remaining to him.

Mr. SYMINGTON. Mr. President, I favor the pending amendment because I believe it offers a real opportunity to reduce the current wheat inventory and, under the bill as it is now proposed, we do not have that opportunity.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I yield for a question.

Mr. ALLOTT. If the Senator can show me how inventories can be reduced by paying back to the farmers in kind, to be disposed of as they see fit, I will concede him the point.

Mr. SYMINGTON. If we raise the price supports and reduce the allotments by 20 percent, the net inventory will be reduced. That is my position after



studying the wheat situation. Therefore, I support the amendment proposed by the Senator from Minnesota and withdraw my amendment and yield back the time remaining to me.

The PRESIDING OFFICER. The Senator from Missouri has withdrawn his amendment.

Mr. MURRAY. Mr. President, I shall vote for the Humphrey amendment to the wheat bill, and will support the wheat bill if it is adopted, although I do not consider the level of price support being given the farmers—85 percent of parity—an adequate amount in view of the farmers' obligation to reduce wheat acreage by 20 percent.

We are asking the farmers, in effect, to pay for Ezra Taft Benson's blunders. Benson told us that lower price supports would result in decreased production of price-supported crops. Instead, there have been record crops as farmers have planted more acres in an effort to avoid bankruptcy. Wheat stocks are at an all-time high, and there is an obvious and urgent need for production control. But to cut the farmers' income further, after 6 years of continuing effort to subsist under Benson, will inevitably mean that many more families will have to leave the land.

I have long voted for 90 percent of parity farm price supports. The wheat farmers, for their part, have accepted acreage restrictions prescribed by law.

Now we are asking farmers to take deeper-than-usual acreage reductions and offering them, not 90-percent supports, but only 85-percent supports if they will accept the cuts. The offer should be 100 percent, but I recognize the impossibility of getting a bill which would be equitable to the farm people signed by the President and finally enacted into law.

In supporting the Humphrey amendment, I do so only because I believe it may prevent the complete collapse of a Federal wheat program, which appears to be the goal of the present administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY]. The yeas and nays having been ordered, and all time on the amendment having been yielded back, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MON-

RONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Alaska would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote the Senator from Virginia [Mr. BYRD] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Idaho would vote "yea" and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Maine [Mr. MUSKIE] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Alabama would vote "yea."

On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Montana would vote "yea" and the Senator from Vermont would vote "nay."

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER], would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], is paired with the Senator from Kentucky, [Mr. COOPER]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Montana [Mr. MANSFIELD].

If present and voting, the Senator from Vermont would vote "nay" and the Senator from Montana would vote "yea."

The result was announced—yeas 30, nays 48, as follows:

#### YEAS—30

Carroll	Hartke	Johnston, S.C.
Case, S. Dak.	Hennings	Langer
Clark	Hill	Magnuson
Douglas	Humphrey	McCarthy
Gore	Jackson	McGee
Hart	Johnson, Tex.	McNamara

Morse  
Moss  
Mundt  
Murray

Neuberger  
O'Mahoney  
Proxmire  
Schoeppel

Symington  
Yarborough  
Young, N. Dak.  
Young, Ohio

#### NAYS—48

Alken  
Allott  
Anderson  
Beall  
Bible  
Bush  
Byrd, W. Va.  
Cannon  
Capehart  
Carlson  
Case, N.J.  
Chavez  
Cotton  
Curtis  
Dirksen  
Dodd

Dworshak  
Ellender  
Engle  
Ervin  
Frear  
Fulbright  
Green  
Gruening  
Hayden  
Hickenlooper  
Holland  
Hruska  
Javits  
Jordan  
Keating  
Lausche

Long  
Martin  
McClellan  
Morton  
Randolph  
Robertson  
Russell  
Saltonstall  
Scott  
Smathers  
Smith  
Stennis  
Talmadge  
Thurmond  
Wiley  
Williams, Del.

#### NOT VOTING—20

Bartlett  
Bennett  
Bridges  
Butler  
Byrd, Va.  
Church  
Cooper

Eastland  
Goldwater  
Kefauver  
Kennedy  
Kerr  
Kuchel  
Mansfield

Monroney  
Muskie  
Pastore  
Prouty  
Sparkman  
Williams, N.J.

So Mr. HUMPHREY's amendment was rejected.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment to the bill; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. RAINS, Mr. McDONOUGH, Mr. WIDNALL, and Mr. BASS of New Hampshire were appointed managers on the part of the House at the conference.

#### HOUSING ACT OF 1959

Mr. ROBERTSON. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives with regard to Senate bill 57, the Housing Act of 1959.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may be cited as the "Housing Act of 1959".

#### TITLE I—FHA INSURANCE PROGRAMS Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1960".

#### Section 203 residential housing insurance

SEC. 102. (a) (1) Section 203(b) (2) of the National Housing Act is amended by striking out "\$20,000" and inserting in lieu thereof "\$25,000".

(2) Section 203(b) (2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";



(B) by striking out "\$16,000" each place it appears and inserting in lieu thereof "\$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Section 203(b)(2) of such Act is further amended by inserting after "unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: "or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction".

(b) Section 203(b)(3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

(c) Section 203(b)(8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments".

#### Low-cost housing in outlying areas

SEC. 103. Section 203(i) of the National Housing Act is amended—

(1) by striking out "\$8,000" and inserting in lieu thereof "\$9,000";

(2) by inserting after "97 per centum" the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)"; and

(3) by striking out ", and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of".

#### Section 207 rental housing insurance

SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out "\$12,500,000" and inserting in lieu thereof "\$20,000,000".

(b)(1) Section 207(c)(2) of such Act is amended by striking out "90 per centum" each place it appears and inserting in lieu thereof "95 per centum".

(c) Section 207(c)(3) of such Act is amended by striking out—

(1) "\$2,250" each place it appears and inserting in lieu thereof "\$2,850";

(2) "\$8,100" each place it appears and inserting in lieu thereof "\$9,000";

(3) "\$2,700" and inserting in lieu thereof "\$3,315";

(4) "\$8,400" and inserting in lieu thereof "\$9,600"; and

(5) "\$1,000 per room" and inserting in lieu thereof "\$1,250 per room";

(6) "\$1,000 per space" and inserting in lieu thereof "\$1,500 per space"; and

(7) "\$300,000" and inserting in lieu thereof "\$400,000".

(d) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5 per centum per annum".

(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

#### Cooperative Housing Insurance

SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out "\$12,500,000" and inserting in lieu thereof "\$20,000,000".

(b) Section 213(b)(2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, \$2,910 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed \$2,970 per room (or \$9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,910 per room to not to exceed \$3,395, the dollar amount limitation of \$2,970 per room to not to exceed \$3,465, the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400, and the dollar amount limitation of \$9,500 per family unit to not to exceed \$9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed \$1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further*, That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such

sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further*, That for the purposes of this section the term 'veteran' shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided*, That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further*, That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further*, That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

(e)(1) Section 213 of such Act is further amended by adding after subsection (i) (as added by subsection (d) of this section) the following new subsections:

"(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the 'Management Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments released under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of \$2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund."

(k) The Commissioner shall establish, as of the enactment of the Housing Act of



Mr. Rockefeller visited Mr. Heck at Ellis Hospital just before leaving May 6 for a vacation at his farm in Venezuela. He learned of the speaker's death yesterday afternoon as he returned from a horseback ride up a mountain ridge near his Monte Sacro farm.

The Governor immediately dictated a tribute in which he referred to Mr. Heck's service as unique and unprecedented.

"His passing leaves a void in the Republican Party and in our legislature which will take years to fill," he said.

Mr. Rockefeller is scheduled to arrive at New York International Airport, Idlewild, Queens, this morning.

The death of Mr. Heck confronts the Governor with a major political problem in the election of a successor. The speakership is filled by a majority vote of the assembly.

Mr. Heck was the leader of a liberal wing of the party dominating the northeast quadrant of the State. That group, in alliance with downstate liberal forces, was able to dominate the assembly under Governors Thomas E. Dewey and W. Averell Harriman.

Assemblyman Joseph F. Carlino, of Long Beach, Long Island, who was appointed majority leader by Mr. Heck in 1954, is the leading candidate for speaker. But opposition from upstate rural counties may put his election in doubt.

Potential rivals for the speakership include Assemblymen Robert Main, a relative newcomer, from Franklin County; Charles Schoeneck, of Onondaga, also a relative newcomer, who helped stem the revolt against Governor Rockefeller's tax program last winter; Charles Cusick, of Auburn, now chairman of the banking committee; and Julius Volker, of Erie, one of the leaders of the tax revolt at the last session.

In Mr. Carlino's favor is the fact that he comes from a New York City suburban county, Nassau. The suburban counties constitute a main source of Republican strength now. Mr. Rockefeller's margin in Nassau, Suffolk, and Westchester wiped out Mr. Harriman's New York City margin.

Whether the speakership will be filled before the next regular session of the legislature in January was uncertain yesterday. One view was that the statutory duties of the office made it necessary to fill the post as soon as possible.

If the office is filled before the session, it could be achieved by the circulation of a petition among Republican assemblymen. The selection would become effective by filing the petition with the clerk of the assembly.

#### WIELDED WIDE POWER

As speaker of the assembly for more than two decades, Mr. Heck wielded more power over more years than any other man in New York's legislative history.

Elected speaker in 1937, he was the 92d person to hold the office. His predecessors over a period of 160 years had averaged less than 2 years in office. The longest tenure had been 6 years.

Mr. Heck enjoyed a bipartisan popularity that is not commonly the lot of such powerful politicians. This was demonstrated in the spring of 1956 when 2,500 Republicans and Democrats turned out for a testimonial dinner in his honor at the Waldorf-Astoria Hotel. The affair was regarded generally as the opening gun of his bid for the Republican nomination for Governor in 1958.

Never coy about his ambition, Mr. Heck desired to top his public career in the executive mansion. He was often mentioned for membership on the public service commission and for secondary spots on State tickets. These did not interest him.

His political star was in the ascendancy in the late thirties at a time when another young Republican, Thomas E. Dewey, was moving into the forefront as a result of his prosecution of rackets in New York City.

In his second year as Speaker, Mr. Heck had hoped to be his party's choice for Governor in 1938, but the nomination went to Mr. Dewey. Mr. Heck was permanent chairman of the convention and later was chosen by Mr. Dewey as his upstate campaign manager.

#### AN AVOWED CANDIDATE

Mr. Heck made no move to get the nomination in 1954, when Mr. Dewey elected not to seek a fourth term, but 2 years later, he became an avowed candidate for the nomination in 1958. However, in the spring of the election year, another political star, Nelson A. Rockefeller, began to rise.

A portly man, nearly 6 feet tall, Mr. Heck tipped the scales at 265 pounds until, on the advice of his physicians, he trimmed down to 225. He was an able, persuasive and articulate speaker, with a facility for wit, which he frequently used to lighten the atmosphere of the assembly.

The source of his power was his authority to name the chairmen of all assembly committees and his role as chairman of the Rules Committee, which controls the fate of all legislation during the closing weeks of the session.

Mr. Heck was a progressive Republican. For this reason, he frequently was at odds with Senate Majority Leader Walter J. Mahoney, a conservative, who was his Republican counterpart in the upper house. Mr. Heck strongly supported the compulsory automobile insurance bill for several years before Mr. Mahoney finally capitulated. He steered the telephone bill—designed to prevent a rate increase—through the assembly twice, only to have Mr. Mahoney kill it in committee.

[From the New York Times, May 21, 1959]

#### OSWALD D. HECK

He was one of the finest public servants of New York State. A member of the assembly since 1932, speaker since 1937—the longest service in that office by far for any man—Oswald D. Heck enjoyed the respect and affection of members of both sides of party aisle. He was a man of high principle, yet shrewd in the art of politics. Jolly and companionable, he was nevertheless deeply serious about issues that mattered, ready to take the floor with a strength of conviction that carried the day when a question of importance was at stake. He stood courageously for the liberal cause in lawmaking. Governors came and went; he remained as one of the few symbols of permanence on the Albany scene, a staunch defender of common sense, always to be depended on. He was, to a degree unusual in political life, a man of character.

[From the New York Herald Tribune, May 22, 1959]

#### OSWALD D. HECK: A LIFE OF SERVICE

Few other political figures in our State will be mourned more deeply or sincerely than Oswald D. Heck, who died yesterday in Schenectady at the untimely age of 57. For 23 years he was speaker of the assembly—longer than any individual had served in that job before him, or is likely to do in years to come. It was a job that Ozzie Heck held with pride, independence and a profound sense of responsibility. Being an official of his State was nothing casual or incidental to Mr. Heck. It was his life.

It was a measure of his personal character and his political skill that Mr. Heck held not only the respect but the affection of members of both parties—as was reflected yesterday in the tributes paid to him. Being speaker of the assembly is a partisan job, but Mr. Heck knew how to be partisan and a square-shooter at the same time. Some evidence of how successful he was came at a testimonial dinner at the Waldorf in 1956, when 2,000 guests, Republicans and Demo-

crats alike, cheered him on this 20th anniversary as speaker.

Oswald Heck had an ambition to be Governor of New York, and a very good one he would have made. Political fortunes and, in recent years, his own health, ruled otherwise and he never made the campaign. But he could look back, as few men could, to a lifetime of devoted service, memorialized both in achievement and friendship.

[From the New York Mirror, May 22, 1959]

#### A POLITICAL HERO

Oswald D. Heck, 57, died too soon yesterday. Speaker of the New York State Assembly for a record 22 years, Ozzie Heck was a politician in the finest sense of the word.

He was skilled in the arts of government. He served the people. His honesty was legendary, although few men of his age have lived long enough to create legends.

Leaders of his own Republican Party and the Democratic opposition have rushed to pay tribute to his virtues.

There is evidence that his fatal illness may have been occupational. He had suffered from circulatory troubles, had undergone an operation for a related foot infection, and finally succumbed to an acute coronary attack.

Politics, too, has its heroes. Ozzie Heck was one of them.

Mr. KEATING. Mr. President, I desire to join my distinguished colleague in paying tribute to Oswald D. Heck, who served for so many years as speaker of the New York State Assembly.

He was for a long time a close associate of my predecessor in the Senate, Irving Ives, who is known and beloved by many Members of this body. They rose in the State legislature together. I believe Mr. Heck succeeded Irving Ives as both Republican floor leader and speaker.

As my colleague has pointed out, Speaker Heck sponsored much important legislation, and was one of the architects of legislation which placed New York State in the forefront of the progressive States of the Nation. He was a hard fighter for the things in which he believed, but he was able to fight in a manner which in no way detracted from the high regard and affection which was felt for him by members of all parties.

He was, to an unusual degree, a man of character in public life. I join in this tribute to him, and in extending to Mrs. Heck and the other members of his family our deepest sympathy.

#### WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That (a) notwithstanding any other provision of law, no agricultural commodities, title to which has been or is hereafter acquired by the Commodity Credit Corpora-



tion, shall be sold or otherwise disposed of, except as provided in subsection (b).

(b) Commodities referred to in subsection (a) may be disposed of, in accordance with directions of the President, as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

(3) Donation to school-lunch programs;

(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98-98h), without reimbursement from funds appropriated for the purposes of that Act;

(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

(6) Sale for new or byproduct uses;

(7) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President;

(8) Sales at not less than the current parity price for such commodity, plus reasonable carrying charges, whenever the President determines that because of a shortage of the commodity such sale is necessary to prevent hardship;

(9) Donations to penal and correctional institutions in accordance with section 210 of the Agricultural Act of 1956;

(10) Sales for export;

(11) Dispositions authorized by section 416 of the Agricultural Act of 1949; and

(12) Sales for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

(c) Strategic materials acquired by the commodity Credit Corporation under paragraph (2) of subsection (b) shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, or to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture. In order to make payment to the Commodity Credit Corporation for any commodities so transferred to the national stockpile or the supplemental stockpile, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

SEC. 2. Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, and any other Act of Congress, relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the

1960 and subsequent crops of such commodities; but any right, claim, or action which accrued under any such provisions with respect to any crop prior to the 1960 crop shall not be affected.

Amend the title so as to read: "A bill to provide for a new farm program."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It is my understanding, under the unanimous-consent agreement which was reached last evening, that 3 hours are to be allowed on the Capehart substitute, to be equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. I should like to ask the Senator whether he expects to make an extended general statement at this time on his amendment.

Mr. CAPEHART. Ordinarily I do not talk too long. I do not think I shall require very long, unless there are interruptions. I hope there will be considerable discussion of the amendment, because it is certainly far-reaching, and it should be debated. However, I do not believe I shall take much time.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I make this inquiry only in the interest of Senators.

Does the Senator from Indiana expect all the time on the substitute to be consumed?

Mr. CAPEHART. I cannot answer that question, because I do not know what questions will be asked, and I do not know which direction the debate will take. However, I should say not. If I can explain what I am trying to do, perhaps we can get through in a fairly short time.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. As a matter of clarification, would the Senator abolish all types of aid on all agricultural commodities, including dairy products, sugar, and wool?

Mr. CAPEHART. The Senator is correct.

Mr. President, I am not unmindful of the fact that my amendment is a very far-reaching one, and Senators will want to give very careful consideration to their votes on the amendment.

The proposed legislation before us as amended up to this time makes the situation much worse than it was before. In other words, the pending legislation, as amended by the so-called Williams amendment, does not do the small farmer any good at all. The small farmer will not have any more corn or peanuts or wheat or cotton to sell or to put under

loan or deliver than he had before we adopted the amendment. It will hurt the middle-class farmer or the large farmer, because it practically takes him out of participating in the so-called price support program. Therefore, outside the crops on which there are mandatory acreages, he will be in the position of growing as much as he wishes, and till as many acres as he wishes, and grow as much as he wishes to grow. It affects the large farmer and the fairly large farmer. I am delighted that it has happened, because heretofore I have felt duty-bound to cooperate in the program by participating in the program and because no longer will I personally feel in conscience that I should participate in the program, which reduces my acres of soybeans, wheat, and other things, if I participate.

What the Senate has done in my opinion, has not helped the small farmer. We have increased the production, and we will further lower the farmer's prices. The pending bill calls for 65 percent of parity on wheat. Yet there is a law on the statute books which provides that the Commodity Credit Corporation, the Department of Agriculture, is authorized to sell at 5 percent above the existing support price. That means that the market price on wheat will be set at 70 percent, plus a little interest and some carrying charges.

That means, if history repeats itself, as it always does, that the small farmer will have about 20 percent of parity. With 1,300 million bushels of wheat in the hands of the Government, out of a total of 1,600 million bushels of visible supply, plus what is raised this year, we will further reduce to the farmer the price of wheat. We will further increase the surplus. We will further make the program more unworkable than it has been heretofore.

I wish the RECORD to show that the Williams amendment, in my opinion—and I refrained from voting on it by reason of the fact that I farm on a rather large scale—is the best reason why the Senate should adopt my amendment.

We are further complicating the farm problem and further reducing the farmers' prices and likewise increasing the surpluses.

My amendment would do this: It would freeze the currently Government-held \$9 billion to \$10 billion farm surplus. It would repeal, as of January 1, 1960, or at the end of the current crop year, all agricultural price support programs.

It would in effect, Mr. President, remove the depressing price effect of the current surplus and, more importantly, let the American farmer conduct his own business.

No one disputes the fact that the currently held surplus is one of the principal reasons why farm prices are too low.

Whether the Senate adopts my amendment or does not adopt it, whether the Senate passes the pending bill or whether it does not pass it, there is one thing, in my opinion, that we must do, and that is to repeal the part of the law which provides that the Commodity Credit Corporation can sell at the minimum of



5 percent above the existing support price. We set the market price, when we reduce the support price. With a support price of 65 percent, when we say to the Government, "You can sell it at 70 percent or 5 percent above the existing support price," we set the market price. That is particularly true so long as the Government has control of 1,300 million bushels of wheat of a visible supply of 1,600 million bushels. The same is true of corn, soybeans, and other crops, although it is not true quite to the degree that it is of wheat.

We will never get the market price to the farmers above the support price so long as we have that provision in the law.

My amendment would freeze the surplus—\$9 billion or \$10 billion worth, or whatever it is—which we will have on hand at the end of this year. Price supports would not be eliminated until the first of January, but we would say to the President of the United States, "You can dispose of the \$9 billion or \$10 billion surplus in an orderly way. You can sell it in export trade. You can sell it through the school lunch program. You can give it to hungry people in the United States. You can give it to hungry people anywhere. You can sell it under Public Law 480. You can dispose of it in all the ways you can dispose of it now."

My amendment would say to the President that in case of an emergency, such as the price of agricultural commodities going too high, or in case of a drought, he could sell it in the domestic market; but he could sell it only at 100 percent of parity, because the purpose of the amendment is to take the stockpile completely out of competition with what the farmers grow beginning January 1 of next year. Under the amendment, on January 1 of next year, the farmers would start as though there had never been any farm programs. The Government would be permitted to sell commodities from the stockpile in the export market. It could likewise sell any merchandise from the stockpile which is deteriorating or spoiling. However, if it did that, it would have to buy an equal amount of the commodities in the open market at the market price to replace it.

The operation of the plan may take 5 years, in order to dispose of the surpluses. However, in the meantime we would eliminate the surpluses from competing with the farmers and competing with the farmers' prices.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. I am sure the Senator would not want to leave the impression that the wheat under the control of the Commodity Credit Corporation at the present time, if the bill should be enacted, would be sold at 70 percent of parity.

Mr. CAPEHART. It would be sold at 5 percent above the existing support price.

Mr. ELLENDER. Evidently my good friend has overlooked the last sentence of the first paragraph on page 4 of the bill, which reads:

For the purposes of section 407 of the Agricultural Act of 1949 the current support

price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 percent of the parity price as of the beginning of the marketing year.

Mr. CAPEHART. At what percent? -

Mr. ELLENDER. 75 percent.

Mr. CAPEHART. It would sell at 5 percent above 75 percent.

Mr. ELLENDER. Yes.

Mr. CAPEHART. The Senator agrees with me that under existing law the Commodity Credit Corporation is authorized to sell it at 5 percent above the existing support price.

Mr. ELLENDER. That is correct.

Mr. CAPEHART. That was all right when the support price was 90 percent. It meant that it could be sold at 95 percent. But as support prices are pushed down and the law is maintained, then, in my opinion, the market price will be pushed down. And what private businessman will pay more than 5 percent above the support price? He will not pay even that much when he knows that he can buy commodities out of the big stockpile at any time he wishes, at 5 percent above the support price.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. I am certain the Senator recalls that the law further provides that to this price are added—

Mr. CAPEHART. Interest and carrying charges.

Mr. ELLENDER. Yes; interest and carrying charges, which amount to a considerable sum.

Mr. CAPEHART. That is correct; I should have said that. It is 5 percent of the total amount.

Let me give an example of what I am talking about. I had a visit from a friend the other day. He sat opposite me at my desk. He has a grain elevator and a feed mill, and he is a successful businessman.

I asked him, "How much Government grain do you have on hand?"

He said, "I have only corn. I have 100,000 bushels of Government-stored corn. The Government pays me a cent a bushel a month for storing it and 7 cents a bushel for moving it in and out. So in the first year I made 19 cents a bushel on 100,000 bushels."

Then I asked him, "How much corn do you have for your own purposes? How much do you own? You have a fairly large feed mill."

He replied, "I have only 30,000 bushels."

I asked, "Why don't you buy 100,000 bushels?"

He said, "Why should I buy 100,000 bushels when the Government is paying me 1 cent a bushel a month for storing it and 7 cents a bushel for moving it in and out? I know I can buy it at any time I want it at 5 percent above the support price plus some interest and carrying charges, and the corn is in my elevators."

I then asked him, "What do you pay the farmers for corn?"

He said, "We are certainly not going to pay any more than the support price for corn. That is what is being paid."

Mr. President, that will always be the situation. If the support price were 90 percent, the buyer would pay 90 percent. If the support price were 60 percent, he would pay 60 percent. This program is not working. It cannot possibly work.

What is happening is that the Government is paying private enterprises all over the United States 1 cent a bushel to store shelled corn. I think the Government pays more than that on wheat, to carry the inventory which in former years the Government carried itself. Yet under the law we are putting a ceiling on the free market price.

If my amendment to eliminate price supports is not adopted, the Committee on Agriculture and Forestry at this session of Congress should propose to repeal the law which freezes or sets a ceiling on the free market price at 5 percent plus interest and carrying charges above the support price.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE of South Dakota. Whatever else may be accomplished by the Senator's presentation and his amendment, I trust the Senate and the country will not lose sight of the point he has brought out by relating his experience with his friend the other day. As the law now stands, a new business has been built into the economy, the business of storing surplus commodities. A vested interest has been created in that field. So long as the law stands as it is today, the man to whom the Senator from Indiana referred will have a good business if he can collect storage fees on 100,000 bushels.

Mr. CAPEHART. One hundred thousand bushels of shelled corn.

Mr. CASE of South Dakota. He will have a vested interest in the perpetuation of a system which supplies grist for his mill, to wit, the storage of this commodity.

The Senator's illustration dealt with corn. The same illustration could be applied to wheat. I think a vested interest has been built into the present economy through the storage of wheat. It has been some time since I saw the figures, but, as I recall, the Government is paying about 18 cents a bushel for the storage of wheat. That amount does not go to the farmer.

Mr. CAPEHART. I think the estimate is that it costs about a billion dollars a year to store the surplus, and the farmer gets none of that amount.

Mr. CASE of South Dakota. It costs about a billion dollars a year to store all surplus commodities.

Mr. CAPEHART. Yes, and the farmer gets none of that.

Mr. CASE of South Dakota. He might if he had some storage facilities on his farm and could store the surplus there. But the wheat charge alone is about \$500,000 a day.

To that extent, I think the Senator's presentation certainly is worth while, because it ought to drive home to the country the fact that there is a new business in the farm program, namely, the business of storing the surplus, which is now large and is growing larger.

There is one point I hope the Senator will bring out in his discussion; that is,



what he thinks the price of wheat would be under the amendment he has offered. He has indicated what he thinks it would be under the bill now before the Senate. But under the amendment in the nature of a substitute, what clue can he give us as to the price of wheat?

Mr. CAPEHART. My best judgment is that it will not have any effect this year. But beginning next year, when the surplus has been frozen and can only be sold in the domestic market for 100 percent of parity, when the Government has about 1,300 million bushels, and 1,600 million bushels are left, and nearly 300 million bushels in the visible supply are for private enterprisers to buy, my guess is that the price will go up very substantially. It will have to go up very substantially.

I remember that years ago—and so do most other Senators—one could pick up a newspaper and read occasionally that the visible supply of wheat or corn in the United States was so much or so many bushels. That meant the number of bushels on farms, other bushels in the elevators, and a number of bushels in boxcars. That was the visible supply.

Now it is called surplus. I am inclined to believe that \$9 billion or \$10 billion of surplus commodities may be a good thing. Perhaps that is not too large a surplus. But the trouble is that we try to help the farmer by buying his commodities and putting them in surplus, and then pass a law providing that they can be sold at 5 percent above the support price, which is entirely too low. That is the weakness of the whole proposition.

The amendment I am offering has two parts to it. I repeat: The surplus would be frozen and disposed of in an orderly way, so that it would not interfere with that which the farmers grow, beginning next January 1. The Government would keep the surplus. Perhaps that is a good thing.

We then say to the President, "If the price of wheat gets too high, or if there is a drought and a part of the wheat is needed, you may sell a portion of it at 100 percent of parity." That is provided so as not to run down the price of the farmer's commodity in the open market.

I am certain that Senators realize that if the free market price during the past 6 years had been higher than the support price, there would not be a nickel's worth of commodities in the so-called Government surplus pile. It is only when the support price is higher than the free market price that the commodities are put into the stockpile.

Therefore, what Congress ought to do is to enact legislation and adopt policies which will keep the market price above the support price. Then the farmer sells his commodities in the open market. That is what we ought to try to do. That is the kind of legislation we should have.

This legislation in the beginning, back in 1938, never was intended to help the small farmer, the big farmer, or the in-between farmer. The size of the farms had absolutely nothing to do with the question. It ought never to have anything to do with it today.

The purpose of the agriculture legislation in 1938 was to reduce the farmer's production by saying to him, "If you will reduce the number of acres you till, we will lend you X amount a bushel or a pound. You can sell the commodity you produce in the open market and pay off your loan at any time you wish. Or if the support price is higher than the market price, you can deliver the merchandise or commodities to us, and we will pay off your bank loan." It was not a program to help the little fellow or the big fellow; it was a program to keep up the prices of agricultural commodities.

The original idea was to keep the prices of agricultural commodities within 100 percent of parity. Parity is a formula which is based on keeping the prices of agricultural commodities comparable to the prices the farmers have to pay for all the things they buy. That was the only purpose. But to judge by what some Senators say today, the program was enacted to help the small farmer. Today Senators talk about helping the small farmers. Of course, I am in favor of helping the small farmers. But today, by means of an amendment which the Senate has adopted, the maximum amount which can be received by any farmer who participates in the program has been limited to \$35,000.

Yet the statistics show that the large farmers, who constitute 25 percent of the entire number of farmers, produce 75 percent of all agricultural commodities grown in the United States, and farm 75 percent of the total acreage. So what the Senate has done is to remove 75 percent—the exact figure may be somewhat larger or somewhat smaller; in any event, it is a very large amount—completely from the program, with the result that those who farm 75 percent of the total acreage will be allowed to produce as much as they wish.

Mr. President, the present farm program has outlived its usefulness. Something is wrong with it. There is ample proof of that.

Mr. President, I am amazed that so few Senators are on the floor to listen to the debate. What is wrong with Senators? Are they afraid of the issue? Are they afraid to face the facts in connection with a program which has proven to be a failure?

Mr. President, what is this program? It has been voted for by both Democratic Members of Congress and Republican Members of Congress. In 1938 the Democratic Party gave us the price support law. Later on, Mr. Benson proposed the soil-conservation law; and it was added to the price-support law. Both of them had the same purpose, namely, to reduce agricultural commodity production by reducing the number of tillable acres, in order that the free market prices of agricultural commodities might be comparable to the prices the farmers had to pay for the things they had to buy.

So, Mr. President, this program is not a partisan one, because all of us have been involved in it. But the program is not working.

Mr. JOHNSTON, of South Carolina. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. CAPEHART. I yield.

Mr. JOHNSTON of South Carolina. Have any hearings been held on the bill?

Mr. CAPEHART. Of course they have.

Mr. JOHNSTON of South Carolina. I refer to the proposal of the Senator from Indiana which now is before us.

Mr. CAPEHART. Hearings were held on the amendment of the Senator from Minnesota [Mr. HUMPHREY], which was submitted yesterday. My amendment was printed and was lying on the table yesterday, and was before the committee yesterday morning, when the committee met; and hearings could have been held on it.

Mr. JOHNSTON of South Carolina. But I do not think the Committee on Agriculture and Forestry has held any hearings on it; neither has the committee looked into the Senator's proposal, to see just what it would do.

Mr. CAPEHART. Of course, I think perhaps the wisest thing to do would be to return the wheat bill to the committee, and have the committee study it further.

Mr. JOHNSTON of South Carolina. But my question is whether the Senator's amendment has been studied in connection with hearings.

Mr. CAPEHART. No; I do not think hearings have been held on it. About a month ago I introduced an omnibus farm bill; and I do not think any hearings have been held on it.

Mr. CARLSON. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. CARLSON. The Senator has discussed the effects of some of the farm legislation. I wonder whether it dates back to the attempts of the Government to assure production during the emergency war period; and, later, the surpluses built up, and we got into the program of restricting the acreage.

Mr. CAPEHART. Undoubtedly that is true.

But, Mr. President, let us consider the facts regarding the existing situation; let us forget who was responsible for the program in the first place. I do not know that, and I do not care. But I do know that, as one of the 98 Members of the Senate, I have a responsibility to the taxpayers of the Nation, including the farmers of the Nation, to try to reach a proper solution of this problem, which at present is the subject of a very expensive program.

It is a fact that this year the Department of Agriculture will spend \$6,500 million—approximately \$5 billion of it to support farm-commodity prices—in order to support a net income of all farmers in the Nation which last year amounted to \$13 billion; and the Department of Agriculture tells us that this year their net income will be \$1 billion less. Yet the stockpile or the surplus has increased to between \$9 billion and \$10 billion worth. In other words, under the existing program the cost to the taxpayers is rising every year, the surplus is increasing every year, and



the expenses of the Department of Agriculture are increasing; but agricultural commodity prices are remaining where they were, or are going down; and, at least, Mr. President, the farmers' net income this year will be \$1 billion less than it was last year.

Furthermore, since 1953, and through 1958—and for the first time in the history of the Nation—the increase in the farmers' income has been less than the increase in the income of the rest of the American people. The farmers received \$2 billion less income.

Furthermore, since 1933 the Government has spent, in supporting the prices of agricultural commodities, \$30 billion. Yet \$15 billion of that has been spent in the past 6 years.

Mr. President, those are facts. Yet today the Senate is considering a bill which calls for the same, old program; it calls for no change except one which would make the program even worse.

I heard Senators talk about their desire to help the small farmers; and they thought the small farmers would be helped by imposing a limitation of \$35,000 on the amount which could be loaned to any one farmer. Mr. President, how would that give any farmer an additional bushel of wheat or corn or an additional pound of cotton or peanuts? It would not help the farmers any, although it might reduce the cost to the taxpayers.

But I predict that unless there is a drought this year, the prices of agricultural commodities will go down.

As we know, the agricultural commodities which are supported by means of this program constitute only a very small percentage of the total of agricultural commodities, in terms of the total income of the farmers. Three commodities—corn, wheat, and cotton—are responsible for 85 percent of the total of \$10 billion.

On the other hand, the prices of livestock and poultry—which are responsible for approximately 75 percent, more or less, of the income of the farmers—are not supported. The prices of livestock and poultry are fairly satisfactory; at least, hog prices and cattle prices are.

Mr. President, why do Senators hesitate to change something which they know is wrong? Why is this Chamber almost empty at this time? Why do not Senators have the courage to face the issue? Is it a political issue?

Mr. President, all Senators are doing now is sweeping their troubles under the bed—in the way a housewife may sometimes sweep a little dirt under the bed, and think she has cleaned the room.

This problem will be back to haunt Senators next year, in my opinion, in a bigger way than it is haunting them this year—or, if not next year, then certainly in 1961 or 1962.

The only thing that could possibly save us, in this situation, would be a severe drought or a great many floods which would prevent very much production for several years. Certainly that would be an extremely cruel way to correct the situation. It might be corrected on that basis; but certainly it will not be cor-

rected otherwise, under the present program.

Mr. President, what is the answer? Why do not the Senate and the House of Representatives do something to correct the situation? Why does not the Democrat Party, which is so much interested in the farmers—and I say that sincerely—do something to correct it?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes, I am happy to yield.

Mr. DOUGLAS. I wanted to know about the grammar used by the Senator from Indiana. Did he say the "Democratic Party," which is the proper term or "Democrat Party"?

Mr. CAPEHART. Either one; whatever name one calls it by—

Mr. DOUGLAS. Hereafter would the Senator from Indiana please stick to the rules of correct grammar and please say Democratic Party?

Mr. CAPEHART. Very well, I will say Democratic Party. I am not trying to be critical. I would say the same thing if those on this side of the aisle were in the majority. We are talking about \$5 billion. I get letters from all over the United States, mostly from Indiana, saying to me, "Reduce expenditures. Cut taxes. Cut the foreign aid program." They do not seem to understand we have a Department of Agriculture which is spending \$6 billion, \$5 billion of that for price support, all of which, in my opinion, could be eliminated in a short time.

I would not regret the expenditure of \$5 billion, and I do not think the taxpayers would, if the prices of the grains we are supporting were at figures comparable with the prices farmers have to pay for the things they buy. But that is not so. So, if we are going to do something about this program, now is the time to do it.

When I sent my amendment to the desk to be printed, which I think was on Wednesday, the able Senator from Minnesota, in a colloquy with me, said, "Well, we will take care of this in 18 months." I presume he meant that when we get a Democrat President they will take care of it. The problem ought to be taken care of today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. Once again the Senator has violated the rules of syntax by saying "Democrat" President, whereas the word should be "Democratic" President. The Chairman of the Republican National Committee, our good friend the Senator from Kentucky [Mr. MORTON], has observed the rules of politeness, and refers to the "Democratic" Party. I want to congratulate our colleague from Kentucky. I say to my friend from Indiana, please do not downgrade your opposition by dropping off the last two letters, "i-c." We are the "Democratic" Party and not the "Democrat" Party.

Mr. CAPEHART. I do not think the farmers or taxpayers care whether I say "Democrat" or "Democratic," so long as the farmers can get higher prices and the taxpayers can get some tax relief.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. I have said several times I was not blaming any particular party.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. But I am appealing to the people who control the votes and saying that if we do not do something about this problem, we are going to be in very great trouble.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. The Senator from Illinois is trying to save the grammatical reputation of the Senator from Indiana, and yet the Senator from Indiana persists in making the same blunder over and over again.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. CAPEHART. Let me say to the able Senator from Illinois that I would much prefer not to be saved by him, since I do not consider it will add to my reputation in the least to be helped or saved by him, because he possibly is one who does not have the courage to face this issue. Like a good lawyer, when he does not want to face the issue, he wants to divert attention in other directions.

I am talking about a farm program which, in my opinion, is not working, and there is not a Member of the U.S. Senate who will not admit it is not working.

Let me quote the last sentence of President Eisenhower's message to Congress on January 29. Some people said to me the other day, "Well, you are a Republican and you are saying that this program is not working and it won't work," and so forth.

Let me quote what the President said last January:

Continuation of the price support and production control programs in their present form would be intolerable.

That is what the President of the United States said on January 29. In a few moments I shall read some other statements he has made.

Mr. CASE of South Dakota. Mr. President, if the Senator will yield, I am not sure that the rules of the Senate require one to be either grammatical or to speak in accordance with any rules of syntax; but if we are going to get down to fine points, I think we ought to know, when we use the term "Democratic," whether it should be spelled with a capital "D" or a small "d."

Mr. CAPEHART. Let me say to the Senator that no two persons have any more enjoyment out of getting into a colloquy than do the Senator from Illinois and myself. We thoroughly and completely understand each other. I always derive great enjoyment from his feeble attempts to correct the Senator from Indiana, and I know he gets much enjoyment from my feeble efforts to correct him.

Mr. CASE of South Dakota. Mr. President, since the Senator from Indiana has used the word "feeble" in referring to himself as well as to the Senator from Illinois, I trust it will not



be regarded as violating the rule that a Senator must not speak disrespectfully of a colleague.

Mr. CAPEHART. I am sure in this instance the word "feeble" was meant to be praise both on my part and the part of the Senator from Illinois.

Mr. CASE of South Dakota. It was a term indicating modesty.

Mr. CAPEHART. Yes.

I now read something else the President said about this question:

The price-support and production-control program has not worked.

Is there a Senator who believes it has? Is there a newspaper that believes it has? Is there a farmer who believes it has worked?

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. The Senator knows, does he not, that the average production of wheat for the past 4 years, under quotas, despite the unusually big crops of last year, has been about 300 million bushels a year less than previous to the imposition of quotas?

Mr. CAPEHART. Yes. The overall production is somewhat greater today than it was 20 years ago, but the production is not any greater in proportion to the increase in population in the United States and the increase in the standard of living of our people. It is therefore better proof and more proof of the fact that the program is not working.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me for a serious observation with reference to his proposal?

Mr. CAPEHART. I yield 2 minutes to the Senator from South Dakota, or such time as he may find necessary.

Mr. CASE of South Dakota. I think what the able Senator from Indiana overlooks or does not credit is the value of a price support program in taking care of seasonal gluts in marketing. I agree with him that the big surplus on hand has got to be disposed of and has got to be taken out of the market. It is hanging over the market. But, without any price support program at all, what does the Senator think would happen to prices in the market if there were no way of putting crops into storage or diverting the marketing of products at harvest time?

Mr. CAPEHART. I think if our present surpluses could be eliminated, or at least the great bulk of them, so that they would not compete with what the farmers will grow next year, the prices of farm products would be much higher than they are now.

I am one who believes that prices of farm products would increase if we could get rid of the \$9 billion worth of surplus products and started all over again.

Mr. CASE of South Dakota. Unquestionably that would be true for a short period of time; that is, if we could be sure that none of the present surpluses were going to be available to the market, except at 105 percent of parity, there should be some bringback to the market. However, it seems to me a device is needed to protect the farmer against

the drop in price which would take effect during the glut of seasonable marketing at harvesttime.

Mr. CAPEHART. Perhaps a lower floor under the price of farm products is needed; but I am not one who particularly believes that the present surplus is too large, big as this Nation is today, and with as many people in it as there are.

The trouble with the present surplus is that we have low support prices, and we permit sales from the surplus stocks at 5 percent above the support price, which sets the market price. That is the trouble.

Years ago those engaged in private enterprise carried the inventory or the surplus. Today the Government has it. The Government either has under its own control in outright ownership or under loan 1.3 billion bushels of the 1.6 billion bushels of supplies of wheat. That leaves only 300 million bushels under private control.

Mr. CASE of South Dakota. That is not the proposal the able Senator from Indiana is making. The Senator is not making a proposal that we freeze or set aside the current stock, but the Senator has proposed a section 2.

Mr. CAPEHART. That is correct.

Mr. CASE of South Dakota. Section 2 would wipe out all price supports.

Mr. CAPEHART. That is correct.

Mr. CASE of South Dakota. If the Senator would strike out section 2 of his substitute he would be presenting a proposition more in line with the description he just gave.

Mr. CAPEHART. In the statement I prepared I said that if any Senator has a better idea I hope he will say so.

The problem simply cannot be ignored any longer. I said, when I introduced the omnibus bill a month ago, I think, and the other night when I submitted this particular proposal, that I have no particular pride of authorship. All I have been trying to do is accomplish something.

I have tried for some 5 years to get through the Senate and through the Congress a bill to spend \$100 million a year on research to find new uses for farm products and new markets, and I could not get the bill passed primarily because the Department of Agriculture was opposed to certain features of it.

I care not how we handle this situation, so long as we handle it. I have offered my proposal. Let us hear the other ideas. Perhaps others have better ideas than my own; I do not know. There is not a man who knows the facts who can successfully contradict the statement that the present program is not working. It is getting worse instead of better.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. I will agree that the present program is not working as well as it should, but I think to abolish all price supports would be far worse. All we have to do is look back to see what happened in the 1920's and the 1930's. We had no price supports then. Oats were selling at about

6 cents, and corn at about 12 to 15 cents, but that did not solve the surplus problem or the cash price problem.

Mr. CAPEHART. I will say to the able Senator that the Senate voted this afternoon to eliminate price supports for a great number of our farmers in the United States, when the Senate put a limit of \$35,000 on their participation. Those who grow products worth more than \$35,000 were eliminated from participating in any price supports.

If such a procedure is good for the fellow who grows products worth more than \$35,000, then my best judgment is it would be better for the fellow who grows products worth less than \$35,000.

A farmer cannot participate in price support programs unless he reduces his production. The small farmer is in no position to reduce his production. He has too few acres on which to produce as the situation is. When we ask him to reduce X number of the acres he has, and the price is very low, we put him in a bad position.

We voted this afternoon to remove completely from participation in price supports every farmer who grows products worth more than \$35,000. I do not have the figures here—I wish I had—but my best judgment is that we took action with respect to at least 60 percent of the acres in the United States when we adopted that provision. That figure perhaps is too high, but possibly it is too low. That is what we did this afternoon. Why did we do it? I think one of the reasons why we did it was that there was a mistaken idea that the farm program we have under consideration will be of help to the small farmer. It will not necessarily help him. The way we could help the small farmer is by providing a program which would keep the free market price up to the point where it should be, namely, around 100 percent of parity in respect to the things the farmer buys. Then we would be helping the small farmer.

We did not help the small farmer today, because we did not help him grow a single bushel of corn or wheat, or peanuts or cotton. We did not do anything to enable him to have an extra bushel or an extra unit to sell. We did not do that at all. We merely turned the big farmers loose. They are the farmers who till possibly 60 or 75 percent of our acreage. We said, "No longer do we expect you to participate. You can till all your acres. You can grow all you want. You can run up a big production and run down the free market price, so that the small farmer will get less and less and less."

The chances are that the small farmers—at least those who are in Indiana—do not have granaries in which to store the grains when they harvest them. They cannot seal them. If they seal the grain in elevators it will cost them about 1½ cents a bushel a month to store the wheat, which is 18 cents a bushel a year. If I am not correct on that figure it can be corrected.

There are many peculiar ideas about the farm program. I participated in the program for many years. I did so because I thought I ought to cooperate



with the Government and with the other farmers in attempts to decrease production. I have been criticized for doing it. I understand the program.

For example, I suggested that the \$35,000 be limited to the commodities which the farmers deliver to the Government, for the commodities which go into the stockpile. That proposal was turned down. The Senate wanted the language to refer to loans.

When the farmer gets a loan on his corn or his wheat or his cotton, it is at the local bank, and the farmer pays interest on it. The farmer might pay off the loan in 30 days, 60 days, or 90 days.

Why do we want to limit this restriction to loans? If we did as suggested, we would permit the larger farmers to hold the commodities back and market them in an orderly fashion.

I agree with the statements made about the delivery of huge amounts of farm commodities to the Government. I think those deliveries ought to be limited. However, there is a great deal of misunderstanding about this program.

I should like now to refer to another matter. There are many who will not like the statement, and perhaps that is one reason why there are so few Senators present to listen to me, but we had better face the issue. I say to Senators, as a farmer who has been a farmer all his life, the lower we reduce the support prices the more products the farmer, as a farmer, is going to be forced to grow. If the farmer has an 80-acre field, or a 160-acre field, or a 40-acre field, and if we reduce the support prices, he will work harder. Those who say that by reducing support prices—getting them low enough—we can discourage the farmer from growing commodities, are not correct.

Will any Senator undertake to tell me that if a farmer has an 80-acre field, and has a tractor and does the work himself, he is going to plant only 40 acres of that 80-acre field because the price is low? He will not put the tractor in the corner and plant only 40 acres. He will plant the 80 acres, and he may even plant another 20 acres.

Why will the farmer do that? He will do it because he has to have a lot of production, multiplied by a smaller amount per unit, in order to get the money he needs to meet his banknote or to pay his farm expenses.

It does not work the way it has been stated. The theory is, of course, 100 percent true in the manufacturing business. If I, as a manufacturer, am losing money, or if I cannot sell my products, because there is no market for them, I will quit. I will close down the factory. If I am a retailer and I cannot sell what I have, I will quit until I can sell it. The same is true of the wholesalers. However, it is not true of the farmer.

It takes a year to produce most farm commodities. The farmer has his equipment. If I am a farmer, and if I am doing my own work, as many farmers do, I am going to make the farm produce. What else can I do? I simply cannot quit, and I will not quit. I will not say,

"I will not plant my 100 acres because the price is low." I have to plant the 100 acres. I am forced to plant the 100 acres. I will possibly even use additional fertilizer on the land, and possibly will try to raise more on the same acreage. The theory which has been stated is simply a mistaken one. I wish we could print it in bold type in the CONGRESSIONAL RECORD.

We should do what I am recommending today, or we should go back to 90 or 100 percent of parity price supports. We should at least repeal the law which provides that the Commodity Credit Corporation may sell at 5 percent above the support price, plus interest and carrying charges. That sets the market price. I ask Senators to get out their pencils and go through the figures for the various years, as I have done, and see if that is not what sets the market price. Why should a private enterpriser pay more than that? When we set the support price, we set the floor, at 75 or 80 percent on wheat. Then, when we say to the Commodity Credit Corporation, "You can sell at 5 percent above that price, plus certain costs," we set a ceiling. If there is a great deal of grain in storage, we know that that must be the answer.

This is what the President said, in his message of January 29, 1959, on the agricultural program:

When the 1958 crops have come into Government ownership, the costs, in terms of storage, interest, and other charges, of managing our inventory of supported crops, for which commercial markets do not exist at the support levels—

He says "markets do not exist at support levels"—

will be running at a staggering rate, in excess of a billion dollars a year.

Those are not my words. They are the words of the President of the United States. Some of my colleagues have criticized me for saying some of the things I said the other day. The President said them. Secretary Benson has said repeatedly that the present program is no good. I do not know how he would correct it. He has not come forward with a program as I have. I wish he would. He says he wants to get the Government out of the farming business and return it to the farmers, so that they may have freedom of action. Here is a plan which would give them 100 percent freedom of action. It would freeze surpluses.

The President says:

Unless fundamental changes are made, this annual cost will rise.

The President continues:

Heavy costs might be justifiable if they were temporary, if they were solving the problems of our farmers, and if they were leading to a better balance of supplies and markets. But unfortunately this is not true.

Those are the words of the President of the United States in a message to Congress on January 29 of this year.

I do not know whose back the monkey will be on if we in Congress do not come forward with some sort of plan to solve this problem. I do not know who will be responsible. I do not believe the farmers

or the taxpayers will care much, because I think they are looking to us for action.

The Farm Journal, which I believe is the largest of our farm magazines, recently conducted a poll. The poll showed that 55 percent of the farmers were in favor of no supports, no controls, no floors; free market prices; and getting the Government out of the business of farming.

Fifteen percent favored emergency supports to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price, and no controls. Eight percent were in favor of adjustment supports, such as 90 percent of the average 3-year market price. Fourteen percent were in favor of high price supports, 90 percent to 100 percent, on a graduated scale.

Eight percent voted for production payments.

Mr. President, I ask unanimous consent to have this chart printed in the RECORD at this point as a part of my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

#### THE FARM PLAN YOU VOTED FOR

(By Claude W. Gifford)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So, the article asked, which of five general directions (see choices left and below), do you think future Government price support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first three choices—each of which calls for less support and more freedom than past or present support programs. By all odds the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These "percentages" proved highly accurate when 10,000 had been tabulated.



Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no run on the ballot box from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the no-support choice, and 1 percent fewer in favor of high supports.

As a further check a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of ten (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska, one by a haygrower and one by a potato grower—both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

#### HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports—no controls, no floors; free market prices; get the Government clear out: 55 percent.

Emergency supports—to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price. No controls: 15 percent.

Adjustment supports—such as 90 percent of the average 3-year market price. Permits gradual adjustment to normal markets. Moderate production control when necessary to ease adjustments: 8 percent.

High price supports—90 percent to 100 percent of parity. Cross-compliance and tight production controls to restrict output to available markets—bushel-and-pound allotments to limit what you could sell: 14 percent.

Production payments—let markets fall, then pay farmers in cash to make up the difference between the market price and the support level. Extend supports to perishables, such as beef, pork, eggs, and fruit. Strict bushel-and-pound controls to hold down costs of the program: 8 percent.

[In percent]						[In percent]					
	No supports	Emergency	Adjustment	High supports	Production payments		No supports	Emergency	Adjustment	High supports	Production payments
Connecticut.....	50	25	5	0	20	Alabama.....	61	15	9	8	7
Delaware.....	91	5	0	4	0	Arkansas.....	56	18	9	9	8
Maine.....	71	9	5	4	11	Florida.....	79	9	2	8	2
Maryland.....	70	19	8	2	1	Georgia.....	62	3	16	11	8
Massachusetts.....	77	18	5	0	0	Kentucky.....	51	6	22	16	5
New Hampshire.....	62	33	5	0	0	Louisiana.....	51	17	20	5	7
New Jersey.....	84	7	1	3	5	Mississippi.....	57	14	14	12	3
New York.....	78	12	5	2	3	North Carolina.....	61	4	6	23	6
Pennsylvania.....	80	13	3	2	2	Oklahoma.....	53	22	5	14	6
Rhode Island.....	57	43	0	0	0	South Carolina.....	71	17	7	5	0
Vermont.....	72	28	0	0	0	Tennessee.....	65	8	7	11	9
West Virginia.....	75	17	6	0	2	Texas.....	54	12	10	13	11
Eastern States.....	77	14	4	2	3	Virginia.....	72	15	2	10	1
Illinois.....	44	20	7	20	9	Southern States.....	59	13	9	12	7
Indiana.....	57	13	8	12	10	Arizona.....	48	21	24	4	3
Iowa.....	24	17	13	33	13	California.....	73	13	6	3	5
Kansas.....	46	20	10	19	5	Colorado.....	58	11	5	18	8
Michigan.....	66	14	8	5	7	Idaho.....	51	15	9	16	9
Minnesota.....	30	15	13	25	17	Montana.....	55	17	5	18	5
Missouri.....	52	15	7	15	11	Nevada.....	90	5	5	0	0
Nebraska.....	38	15	13	25	9	New Mexico.....	55	21	13	6	5
North Dakota.....	34	14	11	31	10	Oregon.....	63	12	7	6	12
Ohio.....	71	12	4	8	5	Utah.....	71	9	9	6	5
South Dakota.....	39	16	9	26	10	Washington.....	70	15	6	6	3
Wisconsin.....	45	12	13	14	16	Wyoming.....	53	18	8	18	3
Central States.....	47	16	9	18	10	Western States.....	63	14	7	10	6

#### What different commodity groups want

##### CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Central	United States	Central
Beef.....	69	59	14	15	6	8	7	11	4	7
Dairy.....	59	50	14	13	8	9	9	13	10	15
Feed grains.....	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables.....	69	63	12	15	6	8	5	8	8	6
General.....	66	55	12	12	7	10	9	16	6	7
Hogs.....	44	40	19	19	11	12	14	16	12	13
Poultry.....	77	73	14	14	1	2	3	5	5	6
Sheep.....	64	42	14	29	6	3	6	13	10	13
Wheat.....	43	41	18	16	9	11	24	25	6	7

##### EAST

Kind of farmers	United States		East		United States		East		United States	
	United States	East	United States	East	United States	East	United States	East	United States	East
Beef.....	69	76	14	22	6	2	7	0	4	0
Dairy.....	59	68	14	19	8	7	9	2	10	4
Feed grains.....	50	87	14	6	7	2	20	4	9	1
Fruit and vegetables.....	69	80	12	8	6	5	5	2	8	5
General.....	66	86	12	12	7	2	9	0	6	0
Hogs.....	44	88	19	6	11	0	14	0	12	6
Poultry.....	77	80	14	14	1	1	3	3	5	2
Sheep.....	64	81	14	8	6	4	6	0	10	7
Wheat.....	43	78	18	17	9	5	24	0	6	0

##### WEST

Kind of farmers	United States		West		United States		West		United States	
	United States	West	United States	West	United States	West	United States	West	United States	West
Beef.....	69	77	14	11	6	5	7	3	4	4
Cotton.....	41	33	17	33	16	21	15	9	11	4
Dairy.....	59	62	14	15	8	7	9	7	10	9
Feed grains.....	50	68	14	12	7	3	20	11	9	6
Fruit and vegetables.....	69	65	12	14	6	6	5	6	8	9
General.....	66	68	12	12	7	8	9	7	6	5
Poultry.....	77	76	14	12	1	3	3	0	5	9
Sheep.....	64	70	14	10	6	8	6	5	10	7
Wheat.....	43	44	18	20	9	8	24	23	6	5



## What different commodity groups want—Continued

## SOUTH

Kind of farmers	United States	South	United States	South	United States	South	United States	South	United States	South
Beef.....	69	78	14	13	6	5	7	2	4	2
Cotton.....	41	43	17	13	16	15	15	15	11	14
Dairy.....	59	72	14	14	8	3	9	8	10	3
Feed grains.....	50	68	14	11	7	5	20	10	9	6
General.....	66	64	12	8	7	9	9	6	6	13
Peanuts and rice.....	42	39	21	18	21	23	12	16	4	4
Poultry.....	77	74	14	17	1	2	3	2	5	5
Tobacco.....	60	51	2	2	16	19	21	26	1	2
Wheat.....	43	49	18	22	9	4	24	21	6	4

Mr. CAPEHART. So we have the problem of doing something about a bad situation.

I think I made the statement a moment ago—and I wish to repeat it—that the period 1953 to 1958, inclusive, is the only period in history when agriculture did not share in the increase in national income. In fact, during those years agriculture received \$2 billion a year less than it did in 1952.

Is not that fact alone proof that the present farm program is not working? What further proof do we need that the program is not working, than the fact that the farmers received \$2 billion a year less in the period referred to than they did in 1952? Agriculture did not share in the national increase.

In my opinion the time has come to make some changes. At least the time has come for this Congress, before it adjourns in 2 or 3 months, to change the so-called farm law. I am hopeful that Senators will have the courage to vote their convictions, because my best judgment is that their political future would be much better served by facing this issue than by trying to avoid it.

Mr. CAPEHART subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my previous remarks a statement by me in regard to the amendment I submitted earlier today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

## STATEMENT BY SENATOR CAPEHART

Before the Senate is an amendment in the form of a substitute for the bill under consideration.

This amendment, introduced by me on Wednesday evening just before we recessed, represents a sincere effort to help the American farmer in particular, and the American taxpayer generally, by taking the Federal Government completely out of the farm business.

It provides for:

1. Freezing the currently Government-held \$9 billion to \$10 billion farm surplus.
2. Repealing as of January 1, 1960, or at the end of the current crop year, all agricultural price support programs.

It would, in effect, remove the depressing price effect of the current surplus and, more importantly, let the American farmer run his own business.

Why?

1. Nobody disputes the fact that the currently held surplus is one of the principal reasons farm prices are too low.

2. The system of price supports we have had, in one form or another, for many, many years in this country is not working.

President Eisenhower recognized this fact when he said to the Congress in his annual message:

"Continuation of the price support and production control programs in their present form would be intolerable."

Whether or not you agree with his methods, Secretary of Agriculture Benson always has announced as the aim of his administration the removal of all Government control from the farming business.

Here is a way to do both—discontinue "intolerable" price support and production control programs and get the Government completely out of the farming business.

Let me make it clear here that the proposal I have made is wholly mine and has not been discussed with either the President or the Secretary of Agriculture.

We cannot go on spending \$6½ billion a year to finance a program of the Department of Agriculture under which:

1. Farm surpluses continue to increase.
2. Farm prices continue to be too low.
3. Net farm income drops, as it has estimated that it will this year from \$13 billion to \$12 billion or a drop of \$1 billion.
4. The cost of approximately \$6½ billion to the taxpayers of running the Department of Agriculture continues to increase primarily because of the increasing cost of price support programs.

My substitute bill provides the orderly method of disposing of the surplus under methods which have been approved time and again by the Congress and which are in the present law—for export, for distribution under Public Law 481, to the needy at home and abroad, for school lunch programs, for distribution to charitable organizations and, under certain emergency conditions, for sale on the market. It can be done, for all practical purposes, within 5 years.

The American farmer wants to be free.

The American taxpayer wants relief.

If the Congress adopts my substitute, the American farmer will be free to run his own business, plant what he wants, in any amount he wants to, when and where he wants to.

The American taxpayer will be relieved of the more than \$5 billion annual expense of a price support program which has been working to the detriment of both the farmer and the taxpayer generally.

To adopt such a program takes statesmanlike courage.

If any Senator has a better idea, I hope he will say so. This problem simply cannot be ignored any longer.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

I cannot believe that my good friend from Indiana is serious in offering this amendment. The Congress enacted new legislation some time ago relating to rice, cotton, and corn, and other feed grains, which had the blessing of the President as well as of the Secretary of Agriculture. This amendment is so

sweeping that it would even repeal the Sugar Act, the Wool Act, and many other similar programs.

Section 2, on page 4, reads in part as follows: /

Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, and any other act of Congress relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops—

And so forth. I have nothing further to say except that I hope the amendment will be voted down.

I now yield back all my remaining time.

The PRESIDING OFFICER. Does the Senator from Indiana yield back his remaining time?

Mr. CAPEHART. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. DIRKSEN. Mr. President, I yield 2 minutes on the bill to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I have long contended that the present price-support program was not working. I think we should long ago have started to roll back support prices until we can get back once more to a free American farm. I look forward to the day when we can eliminate all subsidies, not only on the farm program but subsidies to all segments of our society.

Ten years ago we had about a \$1 billion inventory, and then I suggested that we should repeal some of these price supports. Today we have an inventory of about \$10 billion. We cannot suddenly stop this program by repealing all supports in the face of such inventory. It would demoralize every market in the country. In the face of a \$9 billion or \$10 billion inventory, I am fearful that a chaotic condition would be created, not only in the domestic market, but also in the international market. The way to do this is to start a systematic reduction in support levels. It is like driving down the highway at 80 miles an hour. It is too fast but if we wish to stop, we should slow down before applying the brakes. You just cannot afford to suddenly dump \$9 billion in inventories on the market regardless of how we feel on price supports.

I shall support amendments to reduce support prices. I have supported such amendments in the past. I think we should work toward the goal the Senator from Indiana wishes to reach, but I do not advocate doing it all at once.

I make that statement as one who has never supported the high price supports for agriculture commodities. In my opinion all subsidies, those being paid to agriculture as well as those being paid to all segments of industry, should be rolled back. Certainly we cannot repeal them overnight; but we can start a systematic reduction. Later today I shall support the administration's farm pro-



posal which will be offered by the senior Senator from Illinois [Mr. DIRKSEN] as a substitute for the pending bill.

This proposal will be a start in the right direction by lowering these support prices.

If this proposal is rejected I shall vote against the pending bill because I do not feel that the bill as reported by the committee effectively provides a solution to our problem of surpluses. However, I earnestly hope that the administration's bill will be accepted for the good of American farmers as well as for the good of the taxpayers. I repeat, regardless of how one may feel as to the price support program you just cannot stop overnight and turn \$9 billion in inventory loose overnight.

It is all right to say we will freeze it but that does not mean it will vanish. It is still there.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. The Senator from Delaware has exactly stated my sentiments. The objectives of this amendment are directly in line with what I feel should be done. However I would be reluctant to see it all done at once. If we did it all at once it might result in more harm than good. I shall support the efforts which the administration is making to reduce the parity figures along the lines set out by the Senator from Delaware.

Mr. WILLIAMS of Delaware. I fear its effect on the domestic situation, as well as its international effects.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNING. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN],

and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

The result was announced—yeas 5, nays 69, as follows:

YEAS—5		
Bush	Cotton	Scott
Capehart	Hayden	
NAYS—69		
Alken	Green	Martin
Allott	Gruening	Morse
Anderson	Hart	Morton
Beall	Hartke	Moss
Bible	Hennings	Mundt
Byrd, W. Va.	Hill	Murray
Cannon	Holland	Neuberger
Carlson	Hruska	O'Mahoney
Carroll	Humphrey	Proxmire
Case, N.J.	Jackson	Randolph
Case, S. Dak.	Javits	Robertson
Clark	Johnson, Tex.	Russell
Curtis	Johnston, S.C.	Schoeppel
Dirksen	Jordan	Smathers
Dodd	Keating	Smith
Douglas	Langer	Stennis
Dworschak	Lausche	Symington
Ellender	Long	Talmadge
Engle	McCarthy	Thurmond
Ervin	McClellan	Williams, Del.
Frear	McGee	Yarborough
Fulbright	McNamara	Young, N. Dak.
Gore	Magnuson	Young, Ohio
NOT VOTING—24		
Bartlett	Eastland	Monroney
Bennett	Goldwater	Muskie
Bridges	Hickenlooper	Pastore
Butler	Kefauver	Prouty
Byrd, Va.	Kennedy	Saltonstall
Chavez	Kerr	Sparkman
Church	Kuchel	Wiley
Cooper	Mansfield	Williams, N.J.

So Mr. CAPEHART's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 7, after line 24, insert a new subsection, as follows:

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

Mr. HART. Mr. President, this amendment would remove the 30-acre limitation that now exists on the amount of wheat a farmer can grow to be used for feed and seed purposes on his own farm during the crop years 1960-61.

An agricultural control program presents enough problems to the American farmer and to the American public and goes to the post with enough handicaps without the added burden of having to explain why a farmer, by Federal law, cannot grow on his own land such wheat as he can use to feed his own livestock.

How does the 30-acre limitation now work? Under the present provisions, a farmer makes application to the Department of Agriculture to grow up to 30 acres of feed wheat. For the crop year 1959, 2,546 applications were made to the Department by farmers desiring to grow feed wheat under this limitation or exemption. The total acreage involved was about 56,179 acres, or about 22 acres to be grown on each farm.

We have not found any magic answer to the wheat problem. Neither the present law nor the one we are now debating has the complete answer. I think none of us will suggest that either of them does. But as I see it, the American farmer and our American economy require continuation of this basic approach until we can come up with the long-term answer. But the continuance of any wheat program is jeopardized by the 30-acre limitation. Those who would destroy the wheat program are capitalizing on this provision. They are dramatizing this issue. Whatever slight problem might be created by removing the 30-acre limitation would be much easier to live with than America with no wheat program at all. I emphasize that this amendment will apply to the crop years 1960-61 only.

Many Senators must know of a constituent of mine. His name is Yankus. Let us be clear about this. Mr. Yankus' problem did not arise under the 30-acre limitation, but prior to the time the 30-acre provision was adopted. The Yankus case has been used by the opponents of the wheat program and the whole farm program to build in the public mind the specter of the omnipotent Federal Government dictating to every farmer the amount of wheat which can be grown for use on his own farm.

Actually, the damage that has been done by this limitation can certainly be overcome without any substantive harm to the program by the adoption of my amendment. There is no particular reason to believe that a great deal more wheat would be grown on farms if the 30-acre limitation were removed. To take a few typical States for example: In my State of Michigan, for the crop year 1959, the Department of Agriculture received 36 applications from farmers to grow an average of 22 acres of wheat for farm purposes. In South Dakota, there were nine applications to grow an average of 23 acres per farmer. In North Dakota, there were five applications to grow an average of 26 acres. In Illinois, there were 64 applications to grow an average of 24 acres.

It is my hope that by the removal of this provision of the wheat program in this stopgap legislation we are debating, it will be possible to remove at least one of the factors which unfortunately has been used so successfully by the oppo-



nents of any reasonable farm program to distort the farm picture in the American public's mind. In addition, I believe it is only a matter of fair play that a farmer should be able to grow all the wheat he can use for feed purposes, if he restricts that use to his own farm. It is because most Americans have this basic feeling, this instinctive belief that a man should be able to feed his stock from grains grown on his own soil, that the continuance of the 30-acre limitation jeopardizes the whole farm program. The amendment will get rid of this unfair limitation, and the time to accomplish this result is now.

Mr. President, I hope the amendment will be adopted.

Mr. ELLENDER. Mr. President, the committee considered the amendment submitted by the Senator from Michigan. The membership of the committee was divided regarding the amendment.

Since the submission of the amendment, I have had occasion to talk again with several members of the committee.

Inasmuch as any wheatgrower who desires to plant wheat for feed must obtain permission from the Department of Agriculture—and whether the acreage involved is 30, 75, or 100 makes no difference, because the wheat cannot be used for any other purpose—it is my hope that if the amendment is adopted the Secretary of Agriculture will do a better job in administering it than has been done in the past with the 30-acre limitation.

Mr. President, so far as I am concerned—and I believe I speak for the majority of the committee—we accept the amendment.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Mr. President, I would have no objection to the amendment, either, if the Department strictly enforced it.

I understand there are now quite a few cases involving farmers who have planted with the intention of feeding the grain, but some of the grain finds its way into the marketplace for human consumption.

If the Department of Agriculture will strictly enforce this provision, I believe it will be a good one.

Mr. DIRKSEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. Mr. President, I believe I am authorized to say that the Department not only has no objection to the amendment, but favors the amendment.

Mr. ELLENDER. That is correct.

Mr. DIRKSEN. Because in the substitute which I shall offer, there is a comparable provision.

I need only add that, on occasion, the Department has been thoroughly embarrassed by some of the cases which have arisen. In one case the Department had to proceed against a monastery, because of wheat which was grown on the grounds of the monastery. Such cases are extremely awkward.

I believe I express the feeling of the Secretary of Agriculture when I say that

he has no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. HART].

The amendment was agreed to.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kansas will be stated.

Mr. CARLSON. Mr. President, my amendment calls for striking out all of Senate bill 1968 following the enacting clause, and substituting therefor the text of Senate bill 1484.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kansas will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause of Senate bill 1968, and to substitute in lieu thereof the text of Senate bill 1484, entitled "To amend the Agricultural Adjustment Act of 1938, as amended."

Mr. CARLSON. Mr. President, I ask unanimous consent that the reading of the text of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed at this point in the RECORD.

The amendment submitted by Mr. CARLSON is as follows:

Strike out all after the enacting clause, and insert the following:

"That this Act may be cited as the 'Wheat Stabilization Act of 1959'.

"SEC. 2. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"SUBTITLE D—MARKETING QUOTA AND INCOME STABILIZATION PLAN FOR WHEAT

#### *"Legislative findings*

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided by this subtitle.

#### *"National marketing quota*

"SEC. 379b. Not later than May 15 of each calendar year, the Secretary shall proclaim

a national marketing quota which shall be in effect with respect to the marketing of wheat during the marketing year beginning on July 1 of the next succeeding calendar year. The national marketing quota for any marketing year shall be a number of bushels equal to the sum of the number of bushels which he determines will be consumed as human food in the continental United States, or outside the continental United States by members of the Armed Forces, during such marketing year and the number of bushels which he determines will be exported during such marketing year, less seventy-five million bushels.

#### *"Apportionment of national marketing quota*

"SEC. 379c. (a) The national marketing quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States in such manner that the quota of any State will bear the same ratio to the national quota as a figure determined by multiplying the base acreage of such State by its average yield bears to the corresponding figure for all of the States. For the purpose of this subsection, the base acreage of a State shall be the average number of acres planted to wheat in such State for the 1952 and 1953 crops, and the average yield of a State shall be the average, weighted by the county base acres, of the average yields of the counties in the State as determined in accordance with subsection (b) of this section. The reserve set aside herein for apportionment by the Secretary shall be used to make increases in quotas apportioned to counties under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat after 1953.

"(b) The State marketing quota for wheat, less a reserve of not to exceed 2 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State in such manner that the quota of any county will bear the same ratio to the State quota as a figure determined by multiplying the base acreage of such county by its average yield bears to the corresponding figure for all of the counties in such State. For the purpose of this subsection, the base acreage of a county shall be the average number of acres planted to wheat in such county for the 1952 and 1953 crops, and the average yield of a county shall be the highest annual average number of bushels of wheat per acre harvested in such county during five consecutive years within the twenty-five year period immediately preceding the year in which the first such apportionment is made.

"(c) The county quota shall be apportioned by the Secretary, through the county committees, among the farms within the county on which wheat has been planted during any one of the three marketing years immediately preceding the marketing year in which the apportionment is made and on which wheat was planted for the 1952 or 1953 crop, in such manner that the quota of any farm shall bear the same ratio to the county quota as a figure determined by multiplying the base acreage of such farm by its average yield bears to a corresponding figure for all of the farms in such county entitled to receive a farm marketing quota for wheat. For the purpose of this subsection the base acreage of a farm shall be the average number of acres planted to wheat on such farm for the 1952 and 1953 crops, with adjustments for abnormal weather conditions during such years, tillable acres, crop rotation practices, type of soil and topography. The average yield of a farm shall be the average annual yield in bushels



per harvested acre of such farm for the five years immediately preceding the year in which such apportionment is made on the basis of actual or estimated yields for such years with appropriate adjustments as prescribed by regulations issued by the Secretary, for abnormal weather or other conditions affecting yields in any of the years. Not more than 2 per centum of the State quota shall be used for apportionment to farms on which wheat has been planted during any of the three marketing years immediately preceding the marketing year in which the apportionment is made but upon which wheat was not planted for the 1952 or 1953 crops. The Secretary may by regulations provide for the distribution of the farm marketing quota among individual producers on the farm on the basis of their respective shares in the wheat crop, or the proceeds thereof.

#### "Marketing of wheat"

"SEC. 379d. (a) For the purposes of this subtitle, wheat marketed by a producer with respect to a farm after the beginning of the first marketing year for which a marketing quota and stabilization program is in effect under this subtitle shall be considered to be marketing quota wheat if—

"(1) the amount of such wheat when added to any other wheat marketed by the producer with respect to such farm as marketing quota wheat subsequent to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, does not exceed the total amount of wheat allotted to such farm as farm marketing quota (or portion thereof distributed to such producer) under this subtitle for such year and any subsequent marketing year or years up to and including the marketing year which begins in the calendar year in which the wheat is marketed: *Provided*, That such quota or quotas have been determined as herein provided, and a marketing card or cards or similar instruments for such quota or quotas have been issued to the producer, or

"(2) such wheat was harvested prior to the calendar year in which the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle begins, and could have been sold prior to the beginning of such marketing year without payment of a marketing penalty under Act of May 26, 1941 (7 U.S.C. 1340), and

"(3) such wheat is identified by such producer and by any subsequent seller or other transferor as marketing quota wheat in such manner as shall be prescribed by regulations of the Secretary.

"(b) For the purposes of this subsection, wheat marketed prior to the beginning of a marketing year shall be considered to have been marketed subsequent to the beginning of such marketing year if it is harvested during the calendar year in which such marketing year begins.

"(c) (1) Except as provided in this subsection and in section 379g, nothing contained in this subtitle shall be construed to prohibit or restrict the transfer or use of wheat other than marketing quota wheat.

"(2) Any person who, in connection with the sale or other transfer of wheat, represents such wheat to be marketing quota wheat and such wheat does not meet all the applicable requirements of subsection 379d (a) hereof, shall forfeit to the United States a sum equal to three times the number of bushels of wheat involved in such misrepresentation, multiplied by the price support per bushel in effect under section 379m hereof for the marketing year in which the misrepresentation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"(d) Beginning with the first day of the first marketing year for which a marketing

quota and stabilization certificate program is in effect under this subtitle, no person who first processes wheat into food products composed wholly or partly of wheat for domestic food consumption or export, shall process any such wheat, and no person shall export unprocessed wheat, unless such person has in his possession evidence satisfactory to the Secretary that such wheat is either (1) marketing quota wheat, (2) imported wheat, (3) wheat sold by the Commodity Credit Corporation, or (4) wheat which was marketed by the producer thereof prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and is not considered to have been marketed in such marketing year under the provisions of subsection (b) hereof.

#### "Domestic food quota"

"SEC. 379e. Not later than May 15 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States, and outside the continental United States by members of the Armed Forces, during such marketing year.

#### "Stabilization certificates"

"SEC. 379f. (a) The Secretary shall prepare for each marketing year stabilization certificates which shall be issued for each farm to which a farm marketing quota has been assigned under section 379c(c) for such year, and on which an amount of acreage equal to not less than 20 per centum or more than 50 per centum of the wheat base acreage of the farm under section 379c(c) has been placed in the conservation reserve under the Soil Bank Act for such year: *Provided*, That no farm shall be ineligible for receipt of stabilization certificates by reason of the placing of more than 50 per centum of the wheat base of such farm in the conservation reserve if the placing of such acreage was provided for under a contract entered into prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle. The certificates issued for any farm shall be in an amount which bears the same ratio to such farm marketing quota as the domestic food quota proclaimed under section 379e bears to the national marketing quota proclaimed under section 379b for such year. Stabilization certificates shall not be issued with respect to any farm in an amount in excess of the number obtained by multiplying the acreage planted to wheat by the average yield of such farm determined in accordance with section 379c(c). The stabilization certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of stabilization certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell stabilization certificates to processors and importers in such quantities as are required by them in order to meet the requirements of subsections (a) and (b) of section 379g. Stabilization certificates shall be transferable only in accordance with regulations issued by the Secretary.

"(b) When the domestic food quota is proclaimed for any marketing year pursuant to section 379e hereof, the Secretary shall determine and proclaim the estimated parity price for wheat as of the beginning of the marketing year for which the domestic food quota is proclaimed. The value of any stabilization certificate issued for such marketing year shall be equal to 35 per centum of such estimated parity price of wheat per bushel, multiplied by the number of bushels

of wheat with respect to which it is issued. The value of any stabilization certificate so determined shall remain constant and shall remain in effect until redeemed.

"(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell stabilization certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

#### "Acquisition of stabilization certificates by processors"

"SEC. 379g. (a) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle and except as provided in subsection (d) hereof, no person shall process wheat into food products composed wholly or partly of wheat for domestic food consumption or export in excess of the quantity for which stabilization certificates issued pursuant to section 379f hereof have been acquired by such person.

"(b) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and except as provided in subsection (d) hereof, no person shall import or bring into the continental United States any food products containing wheat in excess of the quantity for which stabilization certificates issued pursuant to section 379f of this Act have been acquired by such person.

"(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which stabilization certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however*, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of any payment for such stabilization certificates as may be required, any person required to have a stabilization certificate in order to process wheat or import a food product composed wholly or partly of wheat may process or import any such commodity without having first acquired a stabilization certificate.

"(e) As used in this section and section 379d(d), (1) the term "food" means human food but shall not be deemed to include liquor or beverages, and (2) the term "export" shall not be deemed to include the shipment of food products for consumption by the Armed Forces of the United States outside the continental United States.

#### "Conversion penalties"

"SEC. 379h. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis



of the weight of wheat used in the processing of such product.

*"Civil penalties"*

"SEC. 379i. Any person who violates or attempts to violate, or participates or aids in the violation of any of the provisions of subsections (a) or (b) of section 379g, or of subsection (d) of subsection 370d hereof, shall forfeit to the United State a sum equal to three times the number of bushels of wheat involved in such violation, including the wheat in any product composed wholly or partly of wheat, multiplied by the price support per bushel in effect under section 379m hereof, for the marketing year in which such violation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

*"Adjustments in national marketing and domestic food quotas"*

"SEC. 379j. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the national marketing quota or the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any national marketing quota is increased under this section, each farm marketing quota for wheat shall be increased in the same ratio. In case any domestic food quota for wheat is increased under this section, the amount of the stabilization certificates for each farm shall be increased in the same ratio.

*"Reports and records"*

"SEC. 379k. (a) The provisions of section 373(a) of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

"(b) The provisions of section 373(b) of this Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

*"Referendum"*

"SEC. 379l. In the first referendum, held pursuant to section 336 hereof, following the enactment of this subtitle for the purpose of determining whether farmers eligible to vote in such referendum and voting on the question favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B hereof, the Secretary shall submit on separate ballots the question of whether such farmers favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B. If the Secretary determines that a majority of eligible farmers voting on such question favor such marketing quota and stabilization certificate program under this subtitle D, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, hereof, suspend the operation of such quota and place into effect a marketing quota and stabilization certificate program for the crop with respect to which the referendum is held and subsequent wheat crops under the provisions of this subtitle, in which event the

provisions of subtitle B relating to marketing quotas and acreage allotments for wheat shall no longer be in effect. If a majority of such farmers do not favor such program the provisions of this subtitle shall be of no further force or effect. The determinations of the Secretary pursuant to this section shall be final and not subject to judicial review.

*"Price support"*

"SEC. 379m. Notwithstanding any other provision of law—

"(a) whenever a wheat marketing quota and stabilization certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section;

"(b) the Commodity Credit Corporation is directed to make available, through loans, purchases, or other operations, price support to producers of wheat at a level not less than 65 per centum of the parity price for wheat as determined by the Secretary of Agriculture as of May 1 prior to the beginning of the marketing year on the amounts of the farm marketing quotas of such producers for such year.

*"Security reserve for wheat"*

"SEC. 379n. (a) The Secretary is authorized and directed to establish a security reserve for wheat, and to transfer to such reserve five hundred million bushels of wheat owned by the Commodity Credit Corporation. Wheat placed in such reserve shall remain the property of the Commodity Credit Corporation and, except for rotation to prevent spoilage, shall not be removed from such reserve except in case of war or other national emergency proclaimed by the President.

"(b) The Commodity Credit Corporation shall enter into contracts for the storage of wheat placed in the reserve established by this Act for such periods of time and on such terms as will result in the most economical cost. Such contracts shall be awarded on a basis which will provide adequate dispersal for security purposes among the producing States, having regard for the proportionate production of such State. Such contracts shall provide for the rotation of stocks to prevent spoilage and for such purpose shall contain a schedule of premiums and discounts for differences in quality.

"SEC. 379o. The provisions of sections 361 to 368, each inclusive, shall apply to farm marketing quotas established under this subtitle D."

Mr. CARLSON. Mr. President, today the Senate has been considering a temporary bill dealing with the problem of wheat. The chairman of the Senate Committee on Agriculture and Forestry has stated on several occasions that this measure is a temporary one, and that it will apply for 2 years, namely, 1960 and 1961.

It is my contention that if we are to deal with this situation, we need a program which will be more permanent.

It is for that reason that I have submitted this amendment, based on the bill which now involves what is known as a two-price system.

Accurately and correctly stated, this is a marketing-control measure, rather than a production-control measure.

I believe the Senate should be reminded of the fact that today we have actually begun a two-price system for agricultural commodities, by adopting the amendment of the Senator from Delaware [Mr. WILLIAMS]. From now on, there will be one price—the supported price—for such commodities, sub-

ject to the \$35,000 limitation, for any individual farmer or organization that produces that amount; and there will be another price—a market price, probably a world price—for such agricultural commodities as will be supported above the \$35,000 limitation.

The bill I have submitted as an amendment to the pending bill—and let me state that Senate bill 1484 was introduced on March 20, by me, on behalf of myself, the Senator from Oregon [Mr. MORSE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. NEUBERGER], the Senator from Nebraska [Mr. CURTIS], the Senator from South Dakota [Mr. CASE], the Senator from Washington [Mr. JACKSON], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from North Dakota [Mr. YOUNG]—will, I contend, solve the wheat problem; and I also predict that that problem will not be solved until we actually adopt a program of this type.

Mr. CASE of South Dakota. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. Mr. President, I have only 5 minutes; I yield myself only 5 minutes. I neglected to state that when I began to speak. However, I yield briefly to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I do not wish to trespass on the time available to the Senator from Kansas.

However, I wish to state that I am happy to be associated with him in sponsoring the bill which he has now submitted as an amendment to the pending bill. As he has stated, I was one of the co-sponsors of Senate bill 1484.

I wish to point out that it is impossible successfully to control production. As the Senator from Kansas has well stated, the measure he has submitted is a plan to control marketing. Marketing can be controlled; production cannot be controlled.

Mr. AIKEN. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I am very happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I do not wish to say anything about the merits of this proposal; I simply desire to point out that only 1 week remains for the enactment of legislation to affect the crop for 1960. For that reason, it would be impossible to put into effect the proposal of the Senator from Kansas, even if it were passed by both Houses of Congress, because more time than the amount of time available would be required to set up the necessary machinery.

I suggest that the Congress enact legislation in this field within the coming week, if possible; and that must be legislation which will be signed and go into effect in time to alleviate the situation beginning with the 1960 crop.

Then, if the Congress is willing to take up the proposal of the Senator from Kansas, and if the Congress approves it, it could be put into effect the following year. But that simply could not be



done within the 1 week which remains.

I am not expressing any opinion in regard to the merits of the Senator's proposal; I am pointing out the mechanical difficulties involved in putting such a program into operation in time to affect this year's plantings for the 1960 crop.

Mr. CARLSON. Mr. President, I am well aware of the problem to which the Senator from Vermont has referred; and it is a problem of immediate concern.

However, I did not want the RECORD of today's proceedings to be closed without advancing this proposal, which I believe must be adopted if the problem is ever to be solved.

Mr. President, in view of the high production costs of today and the high taxes which farmers have to pay and the present high cost of farm machinery, I believe we cannot expect the farmer to operate on a basis other than one which will give him the protections which must be given to him.

Mr. JACKSON. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. JACKSON. Mr. President, I wish to commend the Senator from Kansas for taking the leadership in offering this amendment in the nature of a substitute. I believe it is the only answer to this most difficult problem.

Mr. CARLSON. I thank the Senator from Washington.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. YOUNG of North Dakota. I, too, wish to commend the Senator from Kansas for submitting his amendment in the nature of a substitute, which comprises the text of Senate bill 1484. If time permitted me to do so, I would deal at length with the merits of this proposal. I do not think the wheat producers of the Nation will ever be satisfied until this proposal has been tried out. To me it makes more sense than any other proposal which has been suggested.

Mr. AIKEN. Mr. President, will the Senator yield so I may make a correction of my statement?

Mr. CARLSON. I yield to the Senator from Vermont.

Mr. AIKEN. In the statement I just made, I said it could not be put into effect in time to affect this year's crop. I should have said this year's planting, because the Secretary has just 1 week left to issue allotments for this year's planting, beginning with the fall season.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have the RECORD show that once again I stand shoulder to shoulder with the Senator from Kansas in support of the so-called domestic parity wheat program.

I agree with the comment which was made by the Senator from North Dakota [Mr. Young]. I do not believe we will reach a successful solution of the wheat production problem until we adopt the domestic parity program.

I thought the Senator from South Dakota [Mr. CASE] put his finger on the true situation when he said we are not going to solve the problem of wheat from a production standpoint at all; we are going to have to face up to it from the marketing standpoint.

That is what our proposal over the years, which the Senator from Kansas is now urging again, has sought to do.

The record will show—and I shall not take the time to do more than make a passing reference to the position I took last year—that, as a member of the Foreign Relations Committee, I have urged this proposal as a very important foreign policy proposal, because, in my judgment, here is a potential program which will make it possible for us to make use of our surplus of wheat, until we need it ourselves, as one of our most effective weapons against the threat of communism in the underdeveloped areas of the world where the lack of food is really the major foreign policy problem that confronts the world.

As I said last year, and I repeat it today, the Senator from Kansas and I traveled together in India a couple of years ago, and we saw with our own eyes what happens when a wheat-consuming program is set up in that part of the world. Once the people become accustomed to wheat as a part of their diet, they will not go back to rice, because they see the great advantage of wheat.

Here we have proposed a program which is certainly worth a trial. I hope, if we are not successful today because of any such procedural problem as the Senator from Vermont [Mr. AIKEN] has raised, there will not be foreclosed a further consideration of this proposal before the end of this session, because we are not going to settle the wheat problem today by any stopgap program.

In closing, I wish to add, with regard to the need for wheat, that we ourselves are going to need the wheat in the not too distant future. Once agricultural production patterns are destroyed, they are not easily revived. We keep talking about surplus wheat, and yet all our population experts point out to us that it is not going to be many years before the real problem confronting the United States will be whether we can raise enough food to meet the population needs of our own people.

I look at the surplus wheat as a great storehouse which ought to be emptied into the empty stomachs of people in the underdeveloped areas of the world as a foreign policy program of the United States, until such time as our own people need the wheat.

I am proud again to join the Senator from Kansas in urging the adoption of the domestic parity wheat program.

The PRESIDING OFFICER. All time yielded to the Senator has expired.

Mr. CARLSON. Mr. President, may I inquire if I have used all 15 minutes.

The PRESIDING OFFICER. The Senator from Kansas has 5 minutes remaining to him.

Mr. CARLSON. I yield the 5 minutes to myself.

Does the Senator from Washington [Mr. MAGNUSON] wish me to yield to him?

Mr. MAGNUSON. I wanted to have a little time. I know the Senator from Louisiana wishes to make a statement. I wished to add something to what has been said about the proposal of the Senator from Kansas, in which, as he knows, I have been deeply interested for some time. As a matter of fact, the Senator from Kansas and other Senators will remember that the U.S. Senate passed the very essence of this proposal as a solution for the wheat problem some 2½ years ago.

Mr. CARLSON. If the Senator does not mind my interruption, the vote was 55 to 32.

Mr. MAGNUSON. The vote was 55 to 32, and at that time there were many expressions made on the floor of the Senate by Members who were deeply interested in agricultural matters and by members of the committee to the effect that, in looking over all the plans which had been suggested for the wheat problem, although that proposal might not have been perfect, the domestic parity wheat plan, as proposed by the distinguished Senator from Kansas, myself, and other Senators, looked like the best hope for the solution of the problem.

In the meantime, the situation has worsened, and that proposal still looks like the best hope. However, the Senator from Kansas, I, and many other Senators appreciate that we are running into a time problem. I assume, and I am sure the sponsors of the proposal of the Senator from Kansas also assume, that the plan the Senate is about to adopt today as a solution of the problem is of a seasonal or temporary nature only, and that the sooner we can get to a permanent solution regarding the whole wheat surplus problem, the better it will be. I know the members of the committee, including the chairman, feel that way about it. I hope that will be done. I feel when they get into the domestic parity proposal, they will agree it is about the only hope.

I remember that some Senators, when the proposal was adopted by the vote which has been mentioned by the Senator from Kansas, suggested probably that it was the answer with regard to the problems relating to other basic commodities. I am hopeful the committee will consider the matter.

There have been many discussions relating to the proposal. I know there has been great feeling on the part of those who are experts on the matter, and who are better informed than many of us, that this may be the solution.

I am hopeful that the proposal of the Senator from Kansas will be considered by the Committee on Agriculture and Forestry, and that the committee will regard it as a solution of the problem.

Mr. President, inasmuch as the Senator from Kansas has yielded to me, I ask unanimous consent to have printed in the RECORD an analysis of the wheat stabilization program.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:



## WHEAT STABILIZATION PROGRAM

## WHAT IT IS?

A program developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat.

## WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

## WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers' income at reasonable levels.
2. Allow freedom to plant and harvest crops best adapted without Government interference.
3. Permit producers to carry reserve for short crop years.
4. Prevent wheat prices from reaching disastrously low levels.
5. Enable wheat producers to market best quality wheat in domestic food and export market, and lower grades in feed market.

## WHAT IT WILL DO FOR THE FEED-GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.
2. Materially reduce feed-grain production on wheat farms.
3. Make a substantial contribution to the balancing of feed-grain supplies with demand.
4. Aid in an orderly reduction of present surplus feed-grain stocks.

## WHAT IT WILL DO FOR THE AMERICAN PUBLIC

1. Materially reduce cost of wheat program to the taxpayer.
2. Stop build-up of Government holdings and start orderly reduction.
3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.
4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.
5. Insure continued ability of wheat producers to buy the products of industry and labor.
6. Stabilize incomes of small businesses in rural communities.

## HOW THE PROGRAM WORKS

This is a marketing control, rather than production control program, which:

1. Eliminates acreage controls.
2. Limits wheat marketed in commercial channels for domestic food and export by establishing a national marketing quota.
3. Establishes the national marketing quota at less than the domestic food and export requirements by 75 million bushels, which would be removed annually from CCC stocks.
4. Provides a support price to all producers at 65 percent of parity, only on the amount of the marketing quota.
5. Provides for the use of income stabilization certificates valued at 35 percent of parity, for the domestic food portion of the crop to be issued to cooperating producers.
6. Requires placing at least 20 percent of wheat base acreage in the conservation reserve of the soil bank to be eligible for income stabilization certificates.
7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

## SAVINGS IN COST

It is estimated that under the present program 200 million bushels will be added to CCC stocks annually. The wheat stabilization program stops the build-up of CCC stocks and provides for the reduction of CCC

stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel, and savings in storage costs on the defense stockpile of approxi-

mately 6 cents per bushel. These features will result in a reduction in Government costs of \$178 million and a net decrease in CCC stocks of \$610 million annually.

	Present program	Wheat stabilization program
1. Price support operations:		
Amount taken over by CCC (annual increase)..... bushels.....	200,000,000	(1)
Estimated acquisition cost per bushel.....	\$2	
Total annual investment.....	\$400,000,000	
Interest on investment, at 2.5 percent.....	\$10,000,000	
Storage charges, at 0.17 cents.....	\$34,000,000	
2. Reduction of CCC stocks:		
Annual reduction..... bushels.....		75,000,000
Present inventory value (acquisition costs and storage charge).....	(2)	\$2.80
Reduction in present investment.....		\$210,000,000
Saving in interest annually.....		\$5,250,000
Saving in storage cost annually.....		\$12,750,000
3. Export subsidy costs:		
Estimated domestic price (terminal).....	\$1.90	\$1.70
Estimated world price (terminal).....	\$1.40	\$1.40
Export..... bushels.....	430,000,000	430,000,000
Estimated total subsidy.....	\$215,000,000	\$129,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory.....		\$610,000,000
Total cash savings.....		148,000,000
Total net difference in CCC inventory and cash savings.....		758,000,000
4. Reduced storage costs on defense stockpile (recommended 5-year contracts on competitive bid basis):		
Storage rate per bushel..... cents.....	17	11
Annual cost on 500,000,000 bushels.....	\$85,000,000	\$55,000,000
Cash savings in storage costs.....		\$30,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings (items 1, 2, and 3).....		\$758,000,000
Cash savings (item 4).....		\$30,000,000
Total cash savings plus net CCC inventory reduction.....		\$788,000,000

<sup>1</sup> Net reduction, 75,000,000 per year.

<sup>2</sup> CCC stocks increased 200,000,000 bushels annually.

NOTE.—The losses incurred in disposing of 200,000,000 bushels annually would average an estimated \$250,000,000.

## REDUCTION IN FEED GRAIN SUPPLIES

Under normal conditions this program will reduce feed grain production an estimated 12.7 million tons annually. Such a reduction would not only prevent the continued buildup of feed grain surpluses, but would start an orderly substantial reduction in the annual carryover of feed grain stocks.

The reduction in feed grain production would result from:

1. Increased participation in the conservation reserve of the soil bank by wheat-growers.

2. Lower feed grain production per acre by shifting acreage of feed grains to wheat for feed.

Corn and feed grain producers have expressed the fear that under the wheat stabilization program substantial increases would occur in wheat produced for feed. This example is based on the assumption that wheat producers take full advantage of the provisions of the program to increase wheat production for feed purposes.

Millions

I. Increased participation in conservation reserve:	
(a) Estimated acreage, conservation reserve from wheat farms, acres.....	13.7
(b) Estimated 1958 acreage in conservation reserve on wheat farms, acres.....	1.3
(c) Estimated increase in conservation reserve on wheat farms, acres.....	12.4
(d) Reduction in feed grain at 0.8 ton per acre, tons.....	9.9
II. Shift from feed grains to wheat for feed:	
(a) Estimated maximum wheat acreage under wheat stabilization programs, acres.....	70.5
(b) 1958 wheat acreage, acres.....	56.4
(c) Acreage shifted to wheat from feed grains, acres.....	14.1

Millions

(d) Reduced feed grain production at 0.2 tons per acre (average feed grain yield 0.8 ton per acre, average wheat yield 0.6 ton per acres), tons.....	2.8
III. Total reduction in feed supplies, tons.....	12.7
IV. Normal annual increase per year in feed grain stocks under present programs, tons.....	6.8
V. Normal annual reduction in feed grain stocks, under wheat stabilization program, tons.....	5.9

It should be pointed out that if wheat producers now producing feed grain on excess acres, did not shift to the production of wheat for feed, there would be no change in feed grain production from the present program.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD an article entitled "A Workable Wheat Plan," written by Clancy Jean, and published in the Farm Management magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

## THE GROWERS' OWN PROGRAM: A WORKABLE WHEAT PLAN

(By Clancy Jean, executive vice president, Oregon Wheat Growers League)

The word "wheat" used to have an admirable meaning—"the staff of life." Today that same word has quite a different meaning. The mere mention of it is a reminder of what some people call a national scandal—the current wheat program that spends billions of taxpayers' dollars and encourages increasingly vast surpluses.

No one realizes this better than the wheat-growers themselves. And no one has



launched a more constructive effort to correct this than have those same wheat-growers with a new bill they recently put before Congress.

Traditionally, organized wheatgrowers have advocated the domestic parity plan for wheat. Last December when the National Association of Wheat Growers met in Denver, growers developed and approved what they call a stabilization plan for wheat. It is a modification of the domestic parity plan and contains several features that should be given serious consideration as a new approach to the wheat problem.

#### BEFORE CONGRESS

The growers' proposal is now before Congress; in late February, Senator FRANK CARLSON, Republican, of Kansas, introduced the plan as Senate bill 1140. Senator CARLSON told the Senate that this bill offers some changes " \* \* \* not simply changes in a new 1959 model of the old bill. They are changes in engineering, which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains." Joining with Senator CARLSON in cosponsoring the wheatgrowers' plan are Senators MORSE and NEUBERGER, Oregon; MAGNUSON and JACKSON, Washington; CURTIS, Nebraska; and CASE, South Dakota. Simultaneously, a number of identical bills were introduced in the House by western Congressmen.

In developing their plan, the wheatgrowers have kept four basic concepts in mind:

#### BASIC CONCEPTS

1. Wheatgrowers' net income must be maintained if they are to reduce production below the current level.
2. The buildup of CCC stocks must be stopped and gradually reduced to a normal level.
3. Further reduction in acreage of wheat must not be shifted to other crops.
4. Increased yields per acre must not be reflected in increased Government holdings of wheat.

What is needed, the growers say, is to stop the buildup of Commodity Credit's stocks and even reduce them while also reducing production through a program that takes increased yields into consideration and prevents diverted wheat acres from creating problems with other crops, do these things and maintain growers' income.

To accomplish this, the wheat producers are proposing a production and income stabilization plan.

#### BUSHEL ALLOTMENTS ADVOCATED

Eliminate acreage allotments and checking of compliance along with current marketing quotas—and substitute for these a marketing allotment expressed in bushels. They want marketing allotments based on the wheat base acreage for average of the 1952-53 planted acreage. Each farm would receive a bushel allotment. This would be arrived at by multiplying the base acreage by the normal yield per acre, factored to the county allotment. Normal yields, they say, should be based on the period that provides the most equitable relationship between counties and States.

#### NATIONAL ALLOTMENT IN BUSHEL

For example, it would work out this way\* for 1958 (millions of bushels):

1. Estimated amount used for food in the United States.....	485
2. Estimated amount of U.S. exports..	+ 340
Estimated demand.....	915
3. Less amount of wheat to be moved out of CCC stocks each year.....	- 75
National marketing allotment..	840

The plan calls for price supports at 65 percent of parity for the national marketing allotments. This allotment, as shown, would be spelled out for each farm in bushels and there would be a price support on this amount of about \$1.53 per bushel. Marketing cards, similar to those now used, would be issued to each grower for his bushel allotment. In addition, certificates would be issued on each grower's share of the 485 million bushels used for food in the United States.

#### CERTIFICATES

These certificates would be redeemable in an amount equal to 35 percent of parity on that portion of his production. Using 1958 as an example, food uses of wheat are equal to about 60 percent of the national marketing allotment suggested by the growers. Certificates would be sold to processors. This provision is taken from the domestic parity plan, long advocated by wheat growers. This would relieve the taxpayers of a major part of the costs of the stabilization plan. Wheat growers have long held that they are entitled to full parity for at least that portion of their crop that is used for food consumption in the United States. There is little relationship between the price of wheat and the price of bread. In the past 6 years, wheat prices have dropped 35 cents per bushel while the price of a 1-pound loaf of bread increased 3.2 cents.

#### CONSERVATION RESERVE

But, in order to be eligible to receive these certificates, the grower would have to put at least 20 percent of his wheat base in the Conservation Reserve. This would increase the Conservation Reserve by 12-14 million acres of wheatland that now produce from 5-8 million tons of wheat or feed grain yearly.

While the stabilization plan would control the amounts of wheat to be marketed for domestic food uses and exports through its bushelage allotment and certificate features, there are no restrictions on the production of nonquota wheat. Neither is there any price support for this wheat. Anything in excess of the bushel allotment quota produced would have to be either fed on farms where produced, sold to other farmers or sold to bonded feed processors.

This feed wheat provision would enable many wheatgrowers to return to producing their best crop. Under the present program, commercial wheatgrowers have been forced to produce feed grains as an alternative crop. This has caused serious production and economic problems for the wheatman and it has contributed to the feed grain producer's problem. In the west coast area, this would mean less barley produced on wheat farms; in other areas, growers would turn to wheat in place of sorghum. A supply of feed wheat on the west coast, for example, would contribute to a more balanced supply of local feed grains.

#### SAVINGS TO TAXPAYERS

Compared with present and projected costs of the current wheat program, grow-

ers' stabilization plan would save the Federal Treasury an estimated \$788 million annually. This is to be accomplished through: (a) Lowering cost of price support operations; (b) reducing CCC stocks; (c) lowering export subsidies; (d) placing CCC stocks on 5-year storage contracts.

Presently about 200 million bushels are added to CCC stocks annually. The stabilization plan stops the buildup of CCC stocks and actually provides for a 75 million bushel removal each year for export. It is expected that export subsidies will be reduced about 20 cents per bushel. The growers' plan calls for setting aside 500 million bushels of present CCC stocks as a defense stockpile. By letting Government storage contracts out for competitive bids on a 5-year basis, there would be an estimated saving of 6 cents per bushel. As the accompanying table shows, these features would result in an annual cash saving of \$178 million and achieve a net decrease in CCC stocks of \$610 million annually.

#### INCOME SOURCES

To the grower, the proposed program offers income from four sources:

(1) He would receive at least 65 percent of parity (about \$1.53 at present) on his bushel allotment. The bushel allotment would provide that only 840 million bushels could be marketed in this manner nationally. By controlling amount moving into the markets, there is reason to believe that producers of high quality and specialty milling wheats who market effectively would receive more than this price for their wheat.

(2) About 60 percent of a grower's bushel allotment would be covered by certificates which, when redeemed, would return him an amount equal to 35 percent of parity. Thus, on this amount of his wheat, he would receive 100 percent of parity.

(3) As a prerequisite to receiving a bushel allotment, the grower would be required to put at least 20 percent of his base acreage into the conservation reserve, for which he would receive the customary payments.

(4) Should his production exceed his bushel allotment, he could only market this wheat through livestock on his own farm, by selling to other farmers or by selling this wheat to bonded feed dealers—at open market prices.

The national bushel allotment of 840 million bushels appears to be quite realistic, particularly when compared with the 1958 wheat crop of 1.49 billion bushels. This plan would stop the buildup of present stocks and even reduce them. It provides for substantial savings in storing present Government stocks. It embodies many of the advantages of multiple pricing. Wheatgrowers believe it approaches the problem realistically.

Senator CARLSON said in introducing the bill: "This is a marketing control, not a production control program."

	Present program	Wheat stabilization program
1. Price support operations:		
Amount taken over by CCC (annual increase).....bushels..	200,000,000	(1)
Estimated acquisition cost per bushel.....	\$2	
Total annual investment.....	\$400,000,000	
Interest on investment, at 2.5 percent.....	\$10,000,000	
Storage charges, at 0.17 cents.....	\$34,000,000	
2. Reduction of CCC stocks:		
Annual reduction.....bushels..		75,000,000
Present inventory value (acquisition costs and storage charge).....	(2)	\$2.80
Reduction in present investment.....		\$210,000,000
Saving in interest annually.....		\$5,250,000
Saving in storage cost annually.....		\$12,750,000

<sup>1</sup> Net reduction, 75,000,000 per year.

<sup>2</sup> CCC stocks increased 200,000,000 bushels annually.



## Program that will save \$788 million—Continued

	Present program	Wheat stabilization program
<b>3. Export subsidy costs:</b>		
Estimated domestic price (terminal).....	\$1.90	\$1.70
Estimated world price (terminal).....	\$1.40	\$1.40
Export.....bushels.....	430,000,000	430,000,000
Estimated total subsidy.....	\$215,000,000	\$120,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory.....		610,000,000
Total cash savings.....		148,000,000
Total net difference in CCC inventory and cash savings.....		758,000,000
<b>4. Reduced storage costs on defense stockpile (recommended 5-year contracts on competitive bid basis):</b>		
Storage rate per bushel.....cents.....	17	11
Annual cost on 500,000,000 bushels.....	\$85,000,000	\$55,000,000
Cash savings in storage costs.....		30,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings (items 1, 2, and 3).....		758,000,000
Cash savings (item 4).....		30,000,000
Total cash savings plus net CCC inventory reduction.....		788,000,000

NOTE.—The losses incurred in disposing of 200,000,000 bushels annually would average an estimated \$250,000,000.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a letter I received from J. T. Ledgerwood, of Pomeroy, Wash., who, I think, has set forth this whole problem in the most succinct and intelligent manner I have seen stated on paper for a long time. Mr. Ledgerwood is a wheat farmer. He farms 800 acres of wheat. He has been giving this matter a great deal of study for a long time, and he has come to the conclusion that the wheat stabilization plan is the only answer.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POMEROY, WASH., May 17, 1959.

Senator WARREN G. MAGNUSON,  
Washington, D.C.

DEAR WARREN: According to the papers Congress is trying to do something about the wheat surplus. You fellows are bogged down in wheat, and so are the wheat farmers. This letter is not offering a foolproof plan to control the surplus, but only to give some reasons why the present plan has not worked. If Congress knows the weakness of the present plan it may help them in working out something better.

You may remember me from our days in the Legislature back in the 1930's. I am a wheat farmer in Garfield County. I own and operate something more than 800 acres of wheat land. I was born here and have lived here all my life, so I think I know something about the farm problem so far as it applies to this area. In particular I want to express myself concerning the wheat surplus.

I was a member of the county committee which set up the original wheat allotment plan here several years ago. We were told then that, since the country was producing more wheat than it could use and sell, it was necessary for us to reduce production. We started off the first year by reducing wheat acreage by 15 percent. Since then the percentage of reduction of acreage has varied, mostly upward, until now it is about 34 percent, but the wheat crop increased steadily. There are several reasons for the increase:

1. With reduced acreage the farmers, being human, wanted to grow as much as possible on the limited acreage, so, with the very capable assistance of the State college, they found new varieties of wheat which were more smut-resistant, winter hardy, shatterproof and all around more productive.

2. For the first time the farmers of this county began to use commercial fertilizers. Fertilizer business has grown to enormous size and must amount to millions in eastern Washington.

3. Mechanized farming has displaced the horses, hence no more feeding of wheat hay to horses as was the practice from pioneer times.

4. The use of faster modern machinery has enabled the farmers, especially in the lighter soils, to conserve moisture that was formerly dissipated by sun and wind and has thereby added greatly to the wheat yields.

5. Weeds in wheat are no longer the problem they used to be. Chemical sprays have practically eliminated them. This, alone, has added much to wheat production.

When the allotment laws went into effect the county of Garfield held the highest average per acre wheat production in the State; about 27 bushels per acre. In 1958 it was 45.6. The State college is presently working on a new wheat, which they expect will produce as much as 100 bushels per acre.

At the beginning of the wheat program some of us asked "Why not limit the amount of wheat each farmer is allowed to sell, based on his production history (which was already in the hands of the county committees), instead of limiting only the acreage he was allowed to seed?"

Since that time we have asked the same question repeatedly, pointing to the fact that our elevators are filled with bushels, and not with acres, and that limiting the acreage was, at best, a left-handed attempt to do the obvious thing, which was to reduce production.

The Department of Agriculture, having started off on the wrong foot, was not about to admit it's mistake; but the immense stocks of wheat which have accumulated prove how wrong they were. Something will have to be done or the so-called "Wheat surplus" reduction plan will soon fall under the weight of accumulating surpluses.

The Department of Agriculture apparently fails to see that further reductions in acreage will call for increased efforts to grow more wheat per acre, hence more fertilizers, more search for high-yielding wheat and increased efforts to attain the 100 bushels per acre.

The persistent effort to carry on with the acreage reduction plan requires the county committees to measure the land constantly to make sure the farmer has the correct number of allotted acres and diverted acres. This costs money and doesn't prove anything except that the farmer is producing his surplus wheat on the acreage prescribed by the Department of Agriculture.

The only way to reduce surplus wheat is to reduce the bushels produced. The committees have, or should have, the figures on each farmer's production. Why not give him a quota of bushels. If he produces more than his quota, let him keep it, not sell it. The quotas could be set at a figure that would reduce the surplus and maintain it at a reasonable level. Why insist on trying to do it the hard way? Especially when the hard way has proved to be such a dismal failure.

Yours very truly,

J. T. LEDGERWOOD.

Mr. MAGNUSON. Mr. President, I am sure the Senator from Kansas will permit me to place in the RECORD a statement by the Senator from Kansas which appears starting on page 61 of the hearings on S. 1140, setting forth the basis for the amendment. I think the statement makes good reading with respect to the wheat problem. I wish it would be read by those at the other end of Pennsylvania Avenue.

I ask unanimous consent, with the permission of the Senator from Kansas, to have the statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### A FAIR AND EQUITABLE SOLUTION TO THE WHEAT PROBLEM

Mr. President, I have today introduced S. 1140, a bill which provides a fair and equitable solution to the wheat problem confronting our farmers and our Government.

This bill, authorizing a comprehensive wheat stabilization program, is similar in many respects to S. 774 which I introduced for myself and on behalf of Mr. NEUBERGER, Mr. MORSE, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. BARRETT, Mr. MAGNUSON, Mr. JACKSON, Mr. YOUNG, Mr. CURTIS, Mr. HUMPHREY, and Mr. LANGER in the first session of the 85th Congress. It is more comprehensive than my earlier bill, however, and is substantially improved in two important respects. In addition to maintaining prices and incomes for wheat producers at fair levels, S. 1140 provides a definite program for reducing excessive Commodity Credit Corporation stocks of wheat and definite proposals for holding down wheatgrowers' feed grain production. These are not simple style changes in a new 1959 model of the old bill. These are basic changes in engineering which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains.

Mr. President, wheatgrowers in 1958 produced the largest crop on record. They produced almost 1.5 billion bushels on fewer than 54 million acres. Only 6 years ago, in 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels. This is a production record of which to be proud.

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technological advances and improved land management programs in recent years.

Twenty years ago wheat yields averaged only 13 bushels per planted acre. In the 1940's yields had increased to nearly 16 bushels per planted acre and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957 average yields were still higher, almost 20 bushels per planted acre. Then in 1958, with the weatherman cooperating, wheatgrowers outdid themselves and produced almost 26



busheis per planted acre or 27.3 bushels per acre harvested.

This is a production record achieved by few groups in America. The wheat producers of America are entitled to high honors for this amazing performance. They surely are entitled to a price support program that assures them a fair reward for outstanding services rendered. S. 1140 which I have introduced does just this.

Mr. President, I am fully aware that the production records I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and caused program costs to skyrocket. But the record should be clear on this point. Wheat producers for several years have recommended giving up the present outmoded program for wheat. For at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated Government costs.

And in all seriousness, I want to say that in my judgment there would be no wheat crisis today if we had had the wisdom to adopt a domestic parity program for wheat several years ago.

#### NINETEEN HUNDRED AND FIFTY-NINE WHEAT STABILIZATION PLAN EXPLAINED

As I said earlier, S. 1140 which I have just introduced is an improved and more comprehensive version of earlier domestic parity plans for wheat which twice passed the House and once passed the Senate.

Those of us interested in the welfare of the wheatgrowers approached the drafting of a new bill to deal with the 1959-60 wheat situation, with the following four basic considerations in mind:

(1) The new high levels of productivity must not be allowed to bankrupt the wheat-producing industry. This is a real threat in the absence of an effective program to stabilize prices and production.

(2) The buildup of Commodity Credit Corporation wheat stocks must be stopped and they must gradually be reduced to a normal level.

(3) A further reduction in the acreage of wheat must not result in additional acres shifted to other crops.

(4) Increased yields per acre must not be reflected in increased Government holdings of wheat.

These basic considerations guided the drafting of S. 1140:

If (1) sets up an annual national marketing quota of wheat equal to estimated domestic consumption plus exports minus 75 million bushels which are to be withdrawn from Commodity Credit Corporation stocks.

(2) Provide for loans on wheat within this marketing quota at 65 percent of parity, which at current parity prices would be \$1.53 per bushel.

(3) Provide for income stabilization certificates for each producer equal to each farm's percentage share of the domestic food market (in bushels) which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and parity price. However, each producer, to qualify for income stabilization certificates, must place an acreage equal to 20 percent but not more than 30 percent of his wheat acreage base in the conservation reserve.

(4) Requires that the certificates be purchased by processors to accompany wheat milled for domestic use at a price equal to their face value (35 percent of the parity price of wheat).

(5) Authorizes a defense stockpile of at least 500 million bushels of wheat to be stored under 5-year storage contracts (at substantial savings as compared with current rates).

(6) Removes restrictions on production and use of nonquota wheat, except for domestic food and for export.

These, gentlemen, are the major provisions of S. 1140. While it is a fairly long bill, in many ways it is a simple bill.

It provides a fair return to wheat producers.

It gives producers fuller control of their farming business.

It enables producers to market only their best quality wheat for domestic use and for export.

It provides adequate current supplies of wheat for domestic use and for export at stable prices.

It facilitates orderly marketing of the highest quality wheat through regular commercial channels.

It provides an adequate defense stockpile of wheat.

It provides for an orderly reduction of current surplus wheat stocks at the rate of 75 million bushels a year.

It reduces the estimated annual Government cost of wheat price supports by \$400 million or more a year.

It reduces total Government outlays including investment in inventories by \$500 million or more a year.

It provides for an increase in the conservation reserve of 12 to 14 million acres of wheatland which otherwise each year would add 5 to 8 million tons of wheat or feed grains to current excessive feed supplies.

Finally, it protects and stabilizes foreign trade in wheat, including the interests of Canada and other wheat exporting nations through its marketing quota provisions.

Mr. President, S. 1140 is not a perfect bill. When it is studied in detail by the members of the Committee on Agriculture and Forestry—and I hope it will be so studied in the very near future—it may be possible to make improvements in the wordings of some sections. I do not want the record to show, however, that I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than is needed for domestic food and for export. S. 1140 authorizes a wheat stabilization plan which recognizes this situation and deals with it in a way which is fair and equitable to wheat producers, domestic consumers, feed-grain and livestock producers, and to producers in other exporting nations.

#### POSSIBLE OBJECTION TO NATIONAL WHEAT STABILIZATION

From past experience, I anticipate this National Wheat Stabilization Plan will encounter objections on three grounds. These objections, however, are based on unfounded fears.

Fear No. 1: Midwest feed-grain and livestock producers may fear that large quantities of wheat will be produced for livestock and feed under the proposed wheat price-stabilization program, seriously depressing feed-grain and livestock prices.

However, this plan specifically provides that each producer must put at least 20 percent of his wheat base acreage in the conservation reserve to qualify for income stabilization payments. This assures that an acreage of wheat or feed grains equal to 20 percent of the wheat acreage base on each farm must be retired to the conservation reserve by each producer who qualifies for full economic benefits under the new program.

Assuming high participation in the program, some 12 to 14 million acres of cropland capable of producing 5 to 8 million tons of feed grains will be retired from production. This will not solve the feed-grain problem. But it certainly will not aggravate it. As compared with continuing the current pro-

gram, it means 5 to 8 million fewer tons of wheat which ultimately may be used for livestock feed because there is no other use for it, or 5 to 8 million fewer tons of feed grains produced on land diverted from wheat production.

Throughout the Plains States land devoted to feed grains produce more pounds of feed per acre than when devoted to wheat, even though the wheat is fed. In the Corn Belt States feed grains produce fully one-half more pounds of feed per acre than wheat.

Only in Washington, Oregon, and Idaho do wheat yields exceed feed-grain yields in pounds per acre. In all other States, any expansion in wheat acreage, or nonmarket quota wheat under the National Wheat Stabilization Plan, will result in an equal or greater reduction in the production of other feed grains. I am attaching a statement which shows wheat and feed-grain production per acre for selected States in 1957 and 1958.

Fear No. 2: Some people fear that this program will result in an unreasonable increase in the cost of bread. On occasion it has been referred to as a bread tax plan in favor of wheat producers. This is a most unfair characterization of the program. The sugar program includes a small tax on sugar to make possible income stabilization payments to sugar beet and sugarcane producers in United States. The wool program is based on protective tariffs on imported wools which increase the domestic cost of woolen textiles and a large part of these funds are utilized to make income stabilization payments to domestic wool producers.

In all fairness I ask you, is it unreasonable to ask consumers to pay 3½ cents for the wheat in a loaf of bread instead of 2½ cents as at present? Especially, if by doing so we can provide a fair and equitable income stabilization program for wheat producers, and at the same time reduce Government costs, hence other taxes by an even greater amount.

Let me repeat, this wheat price stabilization plan utilizes precisely the same principles as the sugar and the wool price stabilization programs. All who supported these programs should favor the wheat price stabilization program as an extension of the same principles and equity considerations to wheat producers.

Moreover the cost of the income stabilization certificates which must be paid by the millers, if fully passed on to the consumers, would be about \$100 million less than the additional annual cost of continuing the present outmoded price support program for wheat.

I believe consumers are willing to pay a fair and equitable price for their food. Between 1952 and 1958 the market price of wheat dropped from \$2.11 to \$1.76 a bushel. During this period, while the cost of wheat in a loaf of bread was declining, the retail price of a loaf of bread increased from 16 to 19.2 cents. In view of these facts I think we should not hesitate to ask consumers to accept an increase in the cost of the wheat in a loaf of bread by ¾ of 1 cent—or from 2½ to 3¼ cents; especially when this increase is the result of a program which achieves more than offsetting reductions in other Government costs.

Fear No. 3: Some people fear that this program will be considered a form of export dumping by our foreign friends. However, S. 1140 specifically provides that the Secretary of Agriculture shall set a marketing quota each year which includes the estimated amount of wheat for domestic food use and for export. It provides for loans, at 65 percent of parity on quota wheat. Nonquota wheat will not be eligible for export under S. 1140. Exports of quota wheat will require a small subsidy equal to the difference between 65 percent of parity and the world price level. The only difference



between the anticipated exports under S. 1140 and exports at the present is the requirement of much smaller subsidy payments under S. 1140. Otherwise exports for dollars and exports under Public Law 480 will be continued on exactly the same basis as at present.

Mr. President, in closing I want to return to my statement that the wheat price stabilization program authorized by S. 1140 will reduce Government costs by \$400 million or more a year while maintaining wheat-producers' incomes at fair and equitable levels.

Under the present, outmoded price support program for wheat, the Commodity Credit Corporation has acquired 1.3 billion bushels of wheat in the last 5 years and is expected to acquire another 500 million bushels from the 1958 bumper crop.

The Commodity Stabilization Service estimates that the average storage and interest charge on the wheat in CCC stocks is now 69 cents a bushel, which must be added to an acquisition cost of \$2.11 a bushel. Hence, even though this wheat is sold for dollars, sold under Public Law 480, or under any other programs at the world market price of about \$1.40 per bushel, net at shipping point, the average loss is \$1.40 per bushel on all wheat acquired by the Commodity Credit Corporation.

Although, because of the lower support levels, the cost of wheat acquired in 1958 and 1959 will be a little lower than in earlier years, one can expect a net loss of at least \$1.25 a bushel on every bushel acquired by the Commodity Credit Corporation. Net losses will be even greater on any wheat which must be disposed of as livestock feed.

S. 1140 provides loans at only 65 percent of parity on that quantity of wheat which will be used for domestic food and for export, minus 75 million bushels which must come from CCC stocks. This assures that there will be no further buildup in Government stocks; rather, that there will be an orderly reduction in existing stocks.

It is this feature of the national wheat stabilization program which will result in annual savings of \$400 million or more a year.

*Production per acre of wheat and of feed grains in pounds, selected States, 1957 and 1958*

	1957		1958	
	Wheat	Feed grains	Wheat	Feed grains
Pacific Coast States:				
California.....	1,326	2,172	1,320	2,064
Colorado.....	2,160	1,614	2,064	1,562
Oregon.....	2,224	2,007	2,184	1,619
Washington.....				
Average, Pacific coast.....	1,901	1,931	1,856	1,748
Mountain States:				
Colorado.....	1,470	1,638	1,524	1,883
Idaho.....	2,280	1,816	2,064	1,825
Montana.....	1,164	1,240	1,386	1,413
Average Mountain.....	1,638	1,565	1,658	1,707
Plain States:				
Kansas.....	1,140	1,216	1,650	1,846
Nebraska.....	1,620	2,197	1,980	2,527
North Dakota.....	1,120	1,137	1,386	1,260
Oklahoma.....	750	852	1,560	1,316
South Dakota.....	1,212	1,499	1,434	1,404
Texas.....	870	1,552	1,320	1,705
Average Plains.....	1,119	1,409	1,556	1,676
Midwest States:				
Illinois.....	1,260	3,000	1,890	3,373
Indiana.....	1,530	2,860	1,920	3,182
Iowa.....	1,662	2,113	2,070	2,979
Michigan.....	1,740	2,212	2,280	2,523
Minnesota.....	1,356	2,327	1,884	2,450
Missouri.....	1,380	2,092	1,680	2,685
Ohio.....	1,320	2,546	1,860	2,921
Average Midwest.....	1,464	2,450	1,941	2,873
Average above States.....	1,451	1,899	1,761	2,134

Mr. CARLSON. The Senator from Washington pays me a great compliment.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from South Dakota.

Mr. MUNDT. I thank the Senator.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. CARLSON. Mr. President, I ask the distinguished chairman of the committee if he will yield me 5 minutes.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. I thank the distinguished chairman.

Mr. MUNDT. I should like to congratulate the distinguished Senator from Kansas for his perseverance in bringing this proposal before us once again. As a member of the Committee on Agriculture and Forestry, I wish to say that of all the various plans and programs proposed, from a variety of sources, for solving the extremely difficult and prodigious problem involving wheat, the domestic parity program and the domestic parity suggestion seems to be the most persistent and seems to be the one which is steadily gaining momentum and accumulating friends. This year for the first time the Wheat Growers' Association in South Dakota had a very distinguished wheat farmer from Bennett County come to the Capitol to meet with members of the committee and to advance the cause.

I sincerely hope before the present session of Congress is over—even though the procedural problems outlined by the distinguished Senator from Vermont may make it impossible to agree to the amendment today, because of the urgency of the situation—that something can be done. If we are not able to take action today it will not mean that we cannot legislate later in the session on the wheat problem, looking toward a permanent-type solution.

An idea embraced, endorsed, and supported by so many groups and by so many individual farmers over so wide a territory as this two-price system or domestic parity system is supported, seems to me to deserve a trial. Perhaps by trying it in the laboratory of life with regard to wheat, from experience we can learn something to make it operative in the field of rice or corn or some other commodity at a later date.

I shall support the Senator's proposal, and I again congratulate the Senator for bringing it to our attention.

Mr. CARLSON. The Senator from South Dakota has always been interested in agriculture and very helpful in trying to secure legislation of value to the wheatgrowers.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a short statement on the wheat stabilization program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### WHEAT STABILIZATION PROGRAM

##### WHAT IT IS

A program developed to stabilize wheat marketing, thereby stabilizing the income of

wheat producers and reducing Government stocks of wheat.

##### WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

##### WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers' income at reasonable levels.
2. Allow freedom to plant and harvest crops best adapted without Government interference.
3. Permit producers to carry reserve for short crop years.
4. Prevent wheat prices from reaching disastrously low levels.
5. Enable wheat producers to market best quality wheat in domestic food and export market, and lower grades in feed market.

##### WHAT IT WILL DO FOR THE FEED GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.
2. Materially reduce feed grain production on wheat farms.
3. Make a substantial contribution to the balancing of feed grain supplies with demand.
4. Aid in an orderly reduction of present surplus feed grain stocks.

##### WHAT IT WILL DO FOR THE AMERICAN PUBLIC

1. Materially reduce cost of wheat program to the taxpayer.
2. Stop buildup of Government holdings and start orderly reduction.
3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.
4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.
5. Insure continued ability of wheat producers to buy the products of industry and labor.
6. Stabilize incomes of small businesses in rural communities.

##### HOW THE PROGRAM WORKS

This is a marketing control, rather than production control program, which:

1. Eliminates acreage controls.
2. Limits wheat marketed in commercial channels for domestic food and export by establishing a national marketing quota.
3. Establishes the national marketing quota at less than the domestic food and export requirements by 75 million bushels, which would be removed annually from CCC stocks.
4. Provides a support price to all producers at 65 percent of parity, only on the amount of the marketing quota.
5. Provides for the use of income stabilization certificates valued at 35 percent of parity, for the domestic food portion of the crop to be issued to cooperating producers.
6. Requires placing at least 20 percent of wheat base acreage in the conservation reserve of the soil bank to be eligible for income stabilization certificates.
7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I wish to congratulate the Senator from Kansas for again making this proposal.

I am concerned about the fact that because we cannot act for another week we may be thus deferring action on the matter for a year. In my opinion, the amendment of the Senator from Kansas



probably offers the best prospect for success of any proposal we have before us. I have had some reservations about it, but I say that we will have to take drastic action if we are to keep the wheat program, and perhaps other programs, from collapsing entirely.

I certainly join with the Senator in supporting the passage of the proposal today.

Mr. CARLSON. Mr. President, in conclusion I simply want to say that the Committee on Agriculture and Forestry has done an outstanding job of studying the problem. I do not believe that a solution will be reached until some time in the future. I had hoped we could reach the solution today, and that we would adopt a program to give a parity price for the amount of wheat consumed at home, and another price for the world market and for the feed area of the Nation.

Judging from the statement made by the Senator from Vermont, evidently we are confronted with a very difficult situation. I hope the distinguished chairman and the committee will, at a very early date, look at this proposed program.

Mr. ELLENDER. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. ELLENDER. Mr. President, I dislike to oppose my friend the distinguished Senator from Kansas, but for the past 15 years the Committee on Agriculture and Forestry has had before it bills similar to the provisions of the amendment the Senator has offered. I refer to the so-called two-price system.

Three years ago, in order to test the two-price system concept, the Congress enacted a bill vesting the Secretary of Agriculture with authority to institute a two-price system for rice. We did not make that authority mandatory—only discretionary.

I personally tried my best to get the Secretary of Agriculture to exercise that authority and to test the two-price concept on rice, but I was never able to succeed.

The Department is now, as it evidently was then, violently opposed to the two-price concept.

As was pointed out by my good friend from Vermont awhile ago, if the amendment were to be agreed to, it would result in a veto of the bill, without question.

I am very hopeful that my good friend from Kansas will withdraw the amendment and will permit us to proceed to consider the bill reported by the committee. As I stated this morning, the bill which is before us is more or less stopgap legislation. Unless we act by June 1, the program will have to be announced on June 30, under the present law, and that will mean 75 to 90 percent price supports with a minimum acreage of 55 million acres.

What the committee tried to do was to submit a stopgap proposal, in the hope that by having the bill passed the wheat surplus would be reduced.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I hope that my good friend will withdraw the amendment. I give the Senator my assurance that the Committee on Agriculture and Forestry will continue its studies on remedial farm legislation. The Senator will admit that we have a mighty tough job. It is most difficult to find a real solution.

Mr. President, I yield to the Senator from Kansas.

Mr. CARLSON. I wish to state to the distinguished chairman of the Senate Committee on Agriculture and Forestry that the Senators from the wheat-growing States are very practical. We have reached the point, in the consideration of the proposed legislation, judging from the statement of the Senator from Vermont and also from the statement of the chairman, that it is essential that we act and act immediately. I appreciate that position.

On the other hand, I have some deep convictions as to what we are doing today, when we pass a bill such as is before the Senate, the bill which was reported by the committee.

I inquire of the distinguished chairman if I may have some assurance that the proposal I have suggested, together with any other bill which would promote a domestic parity price for wheat, will be given further consideration at an early date.

Mr. ELLENDER. I give the Senator that assurance.

Mr. CARLSON. I appreciate the Senator's statement. On the basis of that statement, Mr. President, I am going to withdraw the amendment.

Mr. MAGNUSON. Mr. President, before the Senator withdraws the amendment, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. I do not say this because I am not appreciative of the difficult job the members of the Committee on Agriculture and Forestry have, but I do not believe the members of the committee believe the bill which is before us is any solution to the wheat problem. Therefore, it seems to me that the committee members themselves will be desirous of studying this terrific problem, and will want to consider the domestic parity bill as soon as possible. I believe the members of the committee feel that way, judging from private conversations with many of them.

I am willing to join with the Senator from Kansas at this time, because of the situation, and to agree that we should withdraw the amendment. The members of the committee themselves know the bill under consideration is absolutely no answer, and never will be, to the wheat problem. We must have something else.

All those who come from the States which raise wheat—those from the State of my friend from Kansas, from my own State, and from other States—are pretty much in agreement that the domestic parity proposal looks like the only hopeful solution, even though it may have some defects.

Mr. CARLSON. Mr. President, if the chairman will yield, I have always appre-

ciated his help. He has been most kind and courteous in connection with this and other matters dealing with agriculture.

I ask that the amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. NEUBERGER. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER. There is no time left. The amendment has been withdrawn.

Mr. ELLENDER. I yield 1 minute on the bill to the Senator from Oregon.

Mr. NEUBERGER. Let me say to the Senator from Louisiana that I join with the Senator from Washington [Mr. MAGNUSON], as a Senator from one of the wheat-producing States of the Pacific Northwest in saying that we trust the domestic parity plan will receive genuine consideration. We have quite a heritage of study in our State behind this plan. The late Senator Charles L. McNary came from our State. I think he was the original author of the McNary-Haugen farm plan, which President Coolidge vetoed twice after it was passed by the Congress. That was the real beginning of the so-called domestic parity plan for wheat.

While I agree with the Senator from Washington that there are some possible defects in it, I think domestic parity offers considerable promise in meeting this very difficult situation.

I thank the Senator from Louisiana for assuring us that the plan will receive study and consideration, and that there will be effort in his committee to bring it to the floor of the Senate later on in this session.

Mr. YOUNG of North Dakota. Mr. President, on behalf of the Senator from Kansas [Mr. SCHOEPPEL], the Senator from South Dakota [Mr. MUNDT], the Senator from Minnesota [Mr. HUMPHREY] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, between lines 4 and 5, it is proposed to insert the following:

(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or.

On page 2, line 5, it is proposed to strike out "(B)" and insert "(C)".

On page 2, line 10, after "choice (B)" it is proposed to insert "or choice (C)".

On page 2, line 13, it is proposed to strike out "choice (B)" and insert "either choice (B) or choice (C)".

On page 2, line 16, it is proposed to strike out "and choice (B)" and insert a comma and the following: "choice (B), and choice (C)".

On page 3, line 1, after "choice (B)" it is proposed to insert "or choice (C)".

On page 3, line 19, after "choice (B)", it is proposed to insert "or choice (C)".

On page 4, line 3, after "choice (B)" it is proposed to insert "or choice (C)".



Mr. YOUNG of North Dakota. Mr. President, if Senators will give me their attention, I shall require only 3 or 4 minutes to explain the amendment.

It would add one further provision to the bill as it stands. As it now stands the bill provides 65 percent supports for those who are willing to abide by their quotas, that is, to plant within their quotas.

Those who were willing to cut their acreage by 20 percent would receive 80 percent supports. This amendment would add another proviso, to give 75 percent supports to those who would cut their acreage by 10 percent.

If no legislation at all is passed, the farmers will receive 75 percent supports with their present quotas. This amendment would mean a 10 percent reduction in their quotas. As Senators know, because of a change in the parity formula by the Secretary of Agriculture, price supports will come down 5 cents a bushel, regardless.

The reason I am offering the amendment is this:

According to my own feeling, the pending bill, speaking from the standpoint of one who has been in the wheat business all his life, is, for all practical purposes, a 65 percent price support bill. Most farmers would elect to take 65 percent supports, no reduction in acreage. But if we add another proviso, as I suggest, for 75 percent supports, if they are willing to cut 10 percent, there will be a sizable reduction in production. It is pretty tough for any farmer to cut his acreage 20 percent. I believe this amendment would result in a much more workable bill, and that we would wind up with a cash price probably a little less than we have now. This is not an easy position for me to take. I am only doing it because something has to be done to curb surpluses and save the program.

It is not easy for a Senator from a wheat-producing State to stand on the floor of the Senate and propose a cut in acreage without any increase in price, as this amendment proposes. It will make it a more acceptable bill though.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CASE of South Dakota. I should like to suggest to the distinguished Senator from Louisiana, chairman of the committee, that he see if this amendment cannot be accepted and taken to conference. It is a very reasonable proposal; and in my personal judgment it would be more effective in accomplishing a reduction of production than would the terms of the bill now before the Senate.

Mr. ELLENDER. Mr. President, let me say to my good friend from South Dakota that the committee considered the proposal which he has propounded.

What this proposal does is simply to add another bracket of wheat producers. Under the bill as it now stands, those who desired to plant their full allotted acreage would receive 65 percent of parity. Those who would take a 20 percent cut would receive 80 percent of parity. The committee felt that ap-

proach would make administration of the bill much easier.

The proposal made by the distinguished Senator from North Dakota would insert an additional bracket, to the effect that whoever would take a 10 percent cut in his acreage allotment would receive 75 percent of parity as his price support. Personally I would have no objection to this procedure, except, as I have said, that the committee felt that it would be cumbersome, and would make the administration of the law more difficult.

Mr. YOUNG of North Dakota. Mr. President, the committee was trying to meet the objections of the Secretary of Agriculture, in the hope that by eliminating the 75 percent provision the bill would be more acceptable to him, and he could get a bill passed. Since that time the Secretary has come forth with a report using exactly the same words to object to the present bill as he did to object to the provision which I had offered in the committee, providing for 65, 75, and 80 percent of parity. Let me read the statement of the Secretary:

While the bill provides for 65 percent and 80 percent of parity support levels for wheat, it is bound to result in a market price for wheat close to 80 percent of parity.

I wish I could believe that. I do not feel so enthusiastic about the bill. One can go anywhere in the United States and consult with wheat farmers and men in the grain business, and they will tell him that it would have no such result.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. MUNDT. Let me say that the critique made by the Department of Agriculture with respect to this proposal is certainly a stimulating reason why Senators should wish to vote for this additional choice, because if, indeed, this will bring about a market price of wheat up to 80 percent, who will be hurt? Certainly not the consumer, because it has been demonstrated over and over again that the relationship between a bushel of wheat and a loaf of bread is purely theoretical. The transportation, advertising, handling, labor, and other costs determine the price of bread.

The consumer would not be hurt. The farmer would not be hurt if he received 80 percent of parity at the market price. The taxpayer would not be hurt, because he would not have to buy wheat and pay the cost of storing it.

If the dire predictions made by the Secretary are indeed true, this is a most promising step, and we are closer to the solution of the wheat problem than anybody had dared to believe. The farmer would be benefited, the consumer would be benefited, and the taxpayer would be relieved.

In view of the analysis, and in view of what it is said the amendment would accomplish, I believe it is an amendment which the Senate should adopt.

We changed it, as the chairman knows, because we thought perhaps by simplifying it, the Department of Agriculture would like it and give it its approval.

However, they did not do so. I certainly believe that this is the third choice that we ought to give to the American farmer. Let us hope the Department of Agriculture's analysis is correct. I am afraid it is wrong.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CARLSON. I should first like to plead with the distinguished chairman of the committee to accept the amendment. We are trying to pass legislation today to reduce some of the production of wheat. It is my honest opinion, coming from a wheat-producing State, which produces one-fourth of the winter wheat grown in the Nation, that the proposal the committee brought in will still produce surpluses of wheat over and above what we will consume and export.

This third step makes the difference between the farmers who are going to plant the full allotment of 65 percent and the limited number who will plant 80 percent. I believe it will be of benefit to the taxpayers if we accept the amendment. I sincerely hope the chairman will accept it and take it to conference.

Mr. YOUNG of North Dakota. If I may add just one more word, I should like to say from the wheat farmer's standpoint, if there is no legislation at all, he does not have to reduce his acreage in 1960, and he gets 75 percent. If we accept the amendment, he must cut his acreage. I could understand why a wheat farmer might not favor it, but I do not understand why the Secretary of Agriculture opposes it, if he knows anything about wheat.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. With regard to the amendment offered by the Senator from North Dakota, I wish to say, that if it is added to the bill, there would not be much incentive to plant the full allotment of 65 percent, or 80 percent of the allotment at 80 percent of parity, because 75 percent would pay better than either 65 percent or 80 percent.

I would prefer not to see the 20 percent reduction and 80 percent supports in the bill. At any rate, there would not be too much incentive to take the 20 percent reduction in acreage even at 80 percent of parity, if a farmer could get 75 percent with a 10 percent reduction. I have figured it out. At 80 percent of the allotment, multiplied by 80 percent of parity, it comes to 6,400. If he takes 100 percent of the allotment at 65 percent of parity, it comes to 6,500. If he takes 90 percent of the allotment at 75 percent of parity, he gets 6,750.

Mr. YOUNG of North Dakota. I think, too, that this would force the farmers to take the 65 percent figure. Most of them would believe that the price might be better, perhaps, and they would be hoping that the cash price would be better. Farmers are always hoping that their price will be better.

Mr. AIKEN. I know they are pretty good at using their pencil and paper. If they went strictly according to their calculations, they would take 65 percent instead of 80 percent.



Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CASE of South Dakota. I doubt that very many farmers would take a cut of 20 percent in order to get 80 percent of parity.

Mr. AIKEN. They probably would be better off with 75 percent supports and a 10 percent reduction in acreage.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. YOUNG of North Dakota. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Dobb in the chair). The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, may I inquire if any other amendments are to be offered? First, I should like to say to the Senate, as a matter of general information, that I have one short amendment and then I have a substitute amendment. The substitute amendment represents the position taken by the Department of Agriculture. Actually, I shall not discuss it very long. I offer the short amendment, dealing with voting in the wheat referendum.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 2, it is proposed to insert a new section, as follows:

SEC. 4. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat."

Mr. DIRKSEN. Mr. President, on the 1st of June, under existing law, the Secretary of Agriculture must proclaim the allotments and quotas; then, on the 25th of July, the referendum is held.

It seems to me that voting in the wheat referendum takes on a bit of the character of the farcical. The reason for it is that a farmer cannot vote in the wheat referendum unless he grows more than 15 acres. As a result, this is the picture we have: 1,800,000 farmers in the country grow wheat, but only 585,000, or about a third, are eligible to vote in the referendum. If we take two-thirds of that number, it means that out of 1,800,000 wheatgrowers, 390,000 determine what the result is to be. That looks to me like discrimination in law.

Every cotton farmer votes, even if he has only as much as 10 acres of cotton.

Every tobacco farmer votes, even if he has only a city lot of tobacco. For instance, in North Carolina, 9 out of every 10 wheat farmers are disqualified from voting in the referendum because they have less than 15 acres. In Idaho, two out of every three wheat farmers are disqualified.

This is a common problem. If we are going to do the decent thing and have no discrimination, why should not every wheat farmer vote, just as every cotton farmer and every tobacco farmer votes?

That is the whole situation in a nutshell. I believe that in the interest of fairness and equity the amendment ought to be adopted. I might say that the amendment has the endorsement of the Department of Agriculture.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. The difficulty is in trying to determine who should vote in accordance with the number of bushels of wheat he produces. There would be no objection to the suggestion the Senator has made, if we could solve that problem.

If we permit all the small garden spot farmers and flower box farmers, who grow a few bushels of wheat, to vote in the referendum, and in that way determine what will happen to the wheat farmer, who makes, if not the majority, at least a substantial portion of his income from wheat farming, it would not represent very sound democratic procedure. We would permit the result to be determined by persons who are very slightly affected by what happens to wheat.

Mr. DIRKSEN. Why should the small farmer be excluded from voting under the law? What we are doing is letting the large wheat farmers finally determine the result of the referendum. If that is democracy, I do not know the meaning of the word.

Mr. MUNDT. We would have the wheat farmer whose livelihood depends on it vote in the referendum and make the determination, rather than let someone who does not belong to the church become a deacon.

Mr. DIRKSEN. Then why does not the Senator favor changing the law to exclude small tobacco and cotton farmers, on the same basis?

Mr. MUNDT. Tobacco is a business of small producers. It is not a business of the great, large producers.

Mr. DIRKSEN. From the standpoint of principle, that argument will not stand up.

Mr. YOUNG of North Dakota. No one can raise even one-eighth of an acre of tobacco unless he has an allotment. Wheat is the only basic commodity in the United States which gives everyone a free ride. Wheat is raised all over the United States. Anyone can raise 15 acres of wheat and sell it free of penalty. Now everyone will be able to raise all he wants.

Mr. DIRKSEN. Apply that to the cotton farmers along the Mississippi Delta, in California, and elsewhere.

Mr. YOUNG of North Dakota. If the Senator will apply the same provision to

all the other basic commodities, I will vote with him.

Mr. DIRKSEN. I did not make the law; but the law is effective in that respect. I am simply trying to cure it so far as wheat is concerned. From the standpoint of principle, no one can argue successfully against what is involved in this amendment.

Mr. MUNDT. It is necessary to consider the evidence before deciding whether an argument is successful or unsuccessful. From my standpoint, the argument the Senator from Illinois advances is entirely unsuccessful.

Mr. DIRKSEN. It is not unsuccessful. What the Senator from South Dakota is trying to do is to keep in the hands of the big wheat farmers the control of the referendum. That is just as transparent as crystal.

We took a barge at the big farmers in the Williams amendment today. This is a good time to take a second blow from the standpoint of principle. How can we exclude the wheat farmer if he qualifies by having been a wheat producer the year before? In the case of farmers having 14 acres, 13 acres, 12 acres, and less, 81 percent of the farmers of my State are disqualified from voting. Nine out of ten farmers in North Carolina are disqualified from voting. Ninety percent of the farmers in Pennsylvania are disqualified from voting under the existing law. Seventy-seven percent of the farmers in Utah are disqualified. Those are the figures. In New York, the situation is the same.

Mr. MUNDT. The Senator from Illinois has attributed to me a statement which is entirely out of context. I am not advocating that the decision be made entirely by the big wheat farmers. It depends entirely on how the word "big" is defined.

The Senator from Illinois, with a lot of oratorical flourish, prolonged by oratorical "oomph," gestures, emphasis, and all those things, makes the situation seem at first as though we are limiting the referendums to the decisions of farmers having a thousand or 10,000 acres of wheat. Actually, all we are trying to do is to have the decisions made by the farmers who are a part of the wheat industry and who depend on it for a livelihood.

Mr. DIRKSEN. The Senator from South Dakota is by all odds one of the most skillful debaters I have ever known. He wrote a handbook on debating. The first thing one learns in college debating is how to beg the question. The Senator is doing a classical job this afternoon. He is so far from principle that it is not even funny. But I am willing to close the case right here.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Will the Senator, from the figures he has, tell me—

Mr. DIRKSEN. Does the Senator want to know how the great Buckeye State stands with respect to voting in the wheat referendum?

Mr. LAUSCHE. Yes; how does the great Buckeye State stand?



Mr. DIRKSEN. I shall certainly tell the Senator, because I have the figures here.

Ohio has approximately 157,000 farms. One hundred and twenty-seven thousand farmers would be eligible, normally, to vote. Eighty-one percent of the farmers of Ohio are disqualified under existing law because of the 15-acre limitation.

Mr. President, I shall not ask for a yea and nay vote. I simply make the case on principle. I am ready to stand by it.

Mr. LAUSCHE. What was the percentage in Ohio, please?

Mr. DIRKSEN. Eighty-one percent of the farmers of Ohio are disqualified. In Illinois 77 percent cannot vote under existing law. This is the list of farmers who were growers of wheat in the prior calendar year.

Mr. LAUSCHE. Is it possible that the large number of wheat growers in Ohio—81 percent—who are disqualified grow a substantial acreage of wheat?

Mr. DIRKSEN. Oh, yes; they grow a substantial acreage of wheat in Ohio, just as is the case in Illinois.

Mr. LAUSCHE. So the amount might comprise 127,000 times 14 acres?

Mr. DIRKSEN. That could very well be; I do not know. But it is necessary for a farmer to have 15 acres in order to be eligible to vote. That leaves the wheat referendum program in the hands of the large producers. If that is "democratic," I eat it.

Mr. AIKEN. Mr. President, before voting on this question, there is one matter which should be cleared up. Under the bill as reported by the committee, the amount of wheat which a farmer can raise without a quota is reduced from 15 acres to 12. It is my understanding that those who are reduced to 12 acres from 15 will have the right to vote in referendums. They will be added to the 90,000 voters, if I am correctly informed. I have not verified the figures. But those whose acreage allotments are arbitrarily reduced from 15 to 12 acres will be permitted to vote. I should like to ask the chairman of the committee if that is not his understanding.

Mr. ELLENDER. Those farmers whose allotments exceed 12 acres will be eligible to vote.

Mr. AIKEN. That is correct. So if a farmer has 13, 14, or 15 acres, and above, he will be entitled to vote.

Mr. HOLLAND. Mr. President, will the Senator yield for a comment?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am happy the Senator from Illinois has offered this amendment, because in the discussion it has been made perfectly apparent, first, that the wheat program is not democratic and never was intended to be; second, that the artificiality of the program has forced the production of wheat into areas and amounts which would never have been the case but for such an artificial, man-made and surplus-producing program; and third, that this is simply a fair illustration of what has happened not only in this field, but also in the field of corn, small grains, and other commodities.

For instance, last year in my State of Florida five counties became commercial corn counties. Nationwide, there were 38 new commercial corn counties for the first time last year, most of them in areas which never should have been heavy corn-producing counties. This situation was created by the artificiality of a program which has never been democratic and has never been fair to the people and to the lands which were traditional and natural producers on the most economical basis possible.

I am happy that the Senator from Illinois has brought out the point so clearly evidenced by those opposing him—those whose States have large farms producing wheat—that to admit a democratic revision in the voting plan would mean the death of the wheat program. That, I think, is an end which we shall all wish may be attained, before very long. I believe that the majority of Americans already feel that way. My own feeling has been very keenly in sympathy with the frustrations so clearly evidenced by the Senator from Indiana [Mr. CAPEHART] in speaking to his amendment. I think, however, we should attack the problem a step at a time. I believe the step which the Senator from Illinois is suggesting is but one of the steps by which a more successful solution of the problem may be reached. I commend him warmly for having offered the amendment.

Mr. DIRKSEN. I thank the Senator from Florida.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I am wondering why the sponsors of the amendment, who are being so democratic this evening, do not go all the way and follow all the proposals made by the American Farm Bureau Federation and the Secretary of Agriculture.

Mr. DIRKSEN. I shall do so later.

Mr. YOUNG of North Dakota. Since they are proposing this amendment, they should go a step further and adopt the 15-acre provision entirely. If the Senator from Illinois wants to go all the way, I will go with him. That would be good for the wheat farmers of the United States. But I do not know why it is desired to pick out one particular commodity, which the Farm Bureau and the Secretary want, and not go all the way and abolish all the other controls which they want abolished, too. Will the Senator from Illinois answer?

Mr. DIRKSEN. I have no answer to that. I simply take up one thing at a time. If a proposal is founded in hard truth and principle, what is wrong with it? Why not accept it? Then we will get around to the other matters.

I am not even a member of the Committee on Agriculture and Forestry, strangely enough; yet I find myself today presenting the administration's program. I shall present it directly. I am sorry it comes at the end of the day.

We have had a two-price system. We have had a suggestion from the Senator from Indiana [Mr. CAPEHART] to freeze great hoards of commodities and to give the President the authority to

dispose of them; then to wipe the slate clean of allotments and price supports, and all the rest.

We have also had the Humphrey proposal today. Now I am about to present the administration's proposal.

Mr. YOUNG of North Dakota. The Senator is talking on my time.

Mr. DIRKSEN. I am sorry.

Mr. YOUNG of North Dakota. Does the Senator from Illinois favor the farm bill proposal of the Secretary of Agriculture which would abolish the 15-acre provision for wheat?

Mr. DIRKSEN. To abolish it?

Mr. YOUNG of North Dakota. Yes.

Mr. DIRKSEN. He would not abolish the 15-acre provision.

Mr. YOUNG of North Dakota. Yes, as proposed by both Secretary Benson and the American Farm Bureau Federation.

Mr. DIRKSEN. I can only say to my friend that in the amendment which bears my name, the marketing quota exemption is up to 15 acres.

Mr. YOUNG of North Dakota. But both of them recommended to the committee the abolishment of the 15-acre provision. I think that is a step in the right direction; if we wish to consider your note proposal, we should go all the way with the recommendation, and should not simply pick out something that would help Illinois or some other State.

Mr. DIRKSEN. Why did the committee bring in the provision? I did not write the bill.

But, Mr. President, I will willing to yield back the remainder of the time available to me, and to have the vote on the amendment taken.

Mr. CARLSON. Mr. President, the distinguished Senator from Illinois has greatly stressed the democratic processes, and has called attention to the great harm and injustice being done to the 15-acre wheat growers in Ohio, Illinois, and Indiana. That is one of the problems in the entire picture; but I point out that the 15-acre wheat growers have no marketing quotas and no penalties applied to them, whereas any grower who is not in the 15-acre area is subject to quotas and penalties; and he cannot even grow wheat for feed, outside his quota. So there is a great difference, in terms of democracy, between the restrictions to which they are subjected and permitting those who are not subjected to any such restrictions to be free to grow wheat—to be freeloaders, so to speak.

Mr. HUMPHREY. Mr. President, does the Senator from Illinois intend to have the penalties for overplanting applied to farmers who have quotas of 10 acres or less?

Mr. DIRKSEN. The amendment will leave the law exactly where it is now.

Mr. HUMPHREY. But at the present time the law does not apply a penalty to them. The ones with less than 12 acres are not allowed to vote on marketing quotas—simply because the law exempts them from any penalty.

Mr. DIRKSEN. Their status will continue to be the same as it is now.



Mr. HUMPHREY. Not under the amendment of the Senator from Illinois. Under his amendment, those with 12 acres or less would be able to determine the penalties to be applied to those with 12 acres or more, but would not be required to accept any penalties themselves for overplanting on their quotas. In other words, the amendment of the Senator from Illinois would permit such farmers to say, "I want all the benefits of price supports and programs; but if I cheat, don't penalize me; only penalize those with 12 acres or more." That is what the Senator's amendment would do.

Mr. DIRKSEN. Mr. President, in view of the Senator's feeling that this is democratically desirable, why do not Senators take care of this provision in the committee?

Mr. HUMPHREY. There is a good reason.

Mr. DIRKSEN. Why?

Mr. HUMPHREY. Because the committee has reviewed for about 20 years the matter of the 12-acre limitation and the 15-acre limitation; and in that 20-year period the committee has had a fairly good idea of what it was doing. The small farmer with 15 acres or less primarily uses what he produces on his own farm, merely for his own purposes; and he is not what could be called a genuine producer, in the sense of taking his crop to the elevator or marketing it. So he has been exempted from the penalty provisions of the program.

Since he was exempted from the penalty provisions of the program and was not considered to be an active participant, and because he was not subjected to the penalties, he was not included among those who were allowed to vote on the program.

Mr. President, I do not think that a farmer with 80 acres in Minnesota is considered a big farmer. Of course, whenever there is big business, it is considered as efficiency. I have heard wonderful statements in this body about General Electric, General Motors, General Foods, and some other generals—five star generals. But when a farmer has 100 acres, all at once he is considered to be a big, big farmer; and, somehow or other, that is considered to be quite bad. But to me, it is quite good.

Mr. DIRKSEN. Mr. President, I am at a loss to know what General Motors has to do with 15 acres of wheat.

Mr. HUMPHREY. One never can tell. [Laughter.]

Mr. DIRKSEN. Mr. President, all that is merely a lot of cheese paring.

The choice to be made is on the question of whether to give the 15-acre wheat farmer a chance to vote in the referendum. Let Senators vote for or vote against the amendment, as they wish. I have no pride of authorship in it, except as a matter of principle.

The amendment of the Senator from Michigan [Mr. HART], which was adopted earlier this afternoon, would remove the 30-acre limitation which resulted in Mr. Yankus' going to Australia. So the Senate has voted to remove one lid; and I propose that the other one be removed.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. For 20 years this problem has been studied; and I should like to ask whether during that time the situation of the wheat farmers and the other farmers has been improved.

Mr. DIRKSEN. Mr. President, I want the Senator from Ohio to be here when I offer my other amendment, because in that connection I wish to read a paragraph which is 21 years old.

Mr. President, I yield back the remainder of the time available to me on the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.]

The "noes" appear to have it; and the "noes" have it, and the amendment is rejected.

Mr. DIRKSEN. Mr. President, I submit an amendment in the nature of a substitute, which I send to the desk.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois be so kind as to withhold that amendment until we can submit a technical amendment upon which we have agreed?

Mr. DIRKSEN. Certainly.

Mr. HUMPHREY. Mr. President, I send to the desk a technical amendment for which I request immediate consideration.

Let me say that the amendment is the substance of the amendment which the Senator from Delaware [Mr. WILLIAMS], the Senator from Vermont [Mr. AIKEN], and I discussed earlier today; it relates to the cooperatives under the \$35,000 limitation.

I now understand from the Senator from Delaware that this amendment has been checked with the technicians in the Department, as well as with his own staff and with the committee's staff, and that the revised amendment, as the Senator went over it, is acceptable. Is that correct?

Mr. WILLIAMS of Delaware. I have talked with the Department; and while they do not think that additional language is necessary, since question was raised on the floor, there was no objection to including it. It merely spells out specifically what we intended to do.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. It does not go beyond that.

I understand that the Senator from Minnesota is offering the first phase only of his proposal.

Mr. HUMPHREY. Yes. Mr. President, I should like to have the amendment read at this time, so Senators may be familiar with it.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. Following the period at the end of the amendment of Mr. WILLIAMS of Delaware, it is proposed to insert the following:

In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of \$35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support

extended to such person for the purpose of applying such limitation.

Mr. HUMPHREY. Mr. President, this amendment is the revised version which eliminates some of the language which I believe could have been interpreted—according to the Department technicians—as being somewhat difficult to handle. For example, the word "partnerships" is now excluded.

Mr. WILLIAMS of Delaware. No; the amendment merely adds a provision at the end of my amendment; the pending amendment does not eliminate any of the language of the other amendment.

Mr. HUMPHREY. I was referring to the amendment I previously offered, and then withdrew.

Mr. WILLIAMS of Delaware. Oh, yes.

But this amendment provides that if a group of individuals wish to operate as a cooperative group, they can still receive the benefit of the \$35,000 ceiling.

Mr. HUMPHREY. Yes, as individuals.

Mr. WILLIAMS of Delaware. That is correct—as individuals.

However, if a farmer is a member of a cooperative, and if he markets \$15,000 of his products through the cooperative, he will then have remaining only \$20,000; in other words, all his transactions, whether individual transactions or transactions through the cooperative, on all commodities will be totaled; and his total transactions will not be allowed to exceed the \$35,000 ceiling.

As I have explained, the amendment I submitted subjected all his transactions to the \$35,000 ceiling; and the pending amendment will not in any way change the application of the \$35,000 ceiling to the farmer's total transactions.

Mr. HUMPHREY. That is correct.

Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I thank the Senator from Illinois for his courtesy in permitting me to have that amendment acted on at this point.

Mr. DIRKSEN. Mr. President, I submit the amendment which I send to the desk. The amendment is in the nature of a substitute. I ask unanimous consent that the amendment be printed in the RECORD, without being read by the clerk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment submitted by Mr. DIRKSEN is to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Agricultural Act of 1959."

#### TITLE I—WHEAT

*Discontinuance of acreage allotments and marketing quotas on wheat*

SEC. 101. The Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by amending subsection (f) of section 335 by deleting item (1) and renumbering



items (2), (3), and (4) as items (1), (2), and (3), respectively;

(2) by adding the following new section: "SEC. 339. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1963 and subsequent crops of wheat."

#### Price support

SEC. 102. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end thereof the following:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, price support for wheat shall be as follows:

"(a) The level of price support to co-operators for the 1960 crop, the 1961 crop, and the 1962 crop of wheat, respectively, if producers have not disapproved marketing quotas for such crop, shall be 75 per centum of the average price received for wheat by farmers during the 3 marketing years immediately preceding the marketing year for such crop. Price support for each such crop of wheat in case marketing quotas are disapproved, in the case of noncooperators and in the case of cooperators outside the commercial wheat-producing area shall be as provided in section 101(d)(3), (5), and (7).

"(b) The level of price support to producers for the 1963 crop and each subsequent crop of wheat shall be 90 per centum of the average price received for wheat by farmers during the 3 marketing years immediately preceding the marketing year for such crop.

The Secretary shall determine and announce the price support level for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such price support level shall be final."

#### TITLE II—CONSERVATION RESERVE PROGRAM

SEC. 103. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed \$35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation."

SEC. 202. Section 109 of the Soil Bank Act is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956-1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977."

(2) by striking out in subsection (c) "\$450,000,000", and substituting in lieu thereof "\$500,000,000".

#### TITLE III—EXTENSION OF PUBLIC LAW 480

SEC. 301. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such Act are amended by striking out "1959" and substituting in lieu thereof "1962".

(2) Section 103(b) of such Act is amended by striking out "1959" and substituting in lieu thereof "1962" and by striking out

"\$2,250,000,000" and inserting in lieu thereof "\$6,750,000,000".

(3) Section 203 of such Act is amended by striking out "\$800,000,000" and inserting in lieu thereof "\$1,500,000,000".

Mr. DIRKSEN. Mr. President, I shall be very brief, I hope, and if I do not get into a complicated colloquy, I think I can complete my remarks in short order.

As sort of a test, I am going to use the question raised by our distinguished friend from Ohio [Mr. LAUSCHE] when he asked, "Has there been any improvement in all this in the past 20 years?"

I review the legislative findings relating to the Agricultural Adjustment Act of 1938. I was a Member of the House when that bill was enacted into law, and the distinguished Senator from New Mexico [Mr. ANDERSON] may have been there at the time. Our distinguished friend from Washington [Mr. MAGNUSON] was there.

Here are the legislative findings. This started 21 years ago:

Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce.

Such surpluses result in disastrously low purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure.

That sounds like the statement which was made here this afternoon. So after all these years this program has been pretty much of a failure.

It seems to me, after all the efforts which have been made, the sensible thing would be to leave the department charged with the responsibility over agriculture to have its substitute adopted in the form of permanent legislation.

This is what the substitute does. I shall not weary Senators with long detail.

It is proposed as a permanent law, to have 55 million acres for 1960, 1961, and 1962, and after that the allotments would be eliminated.

Seventy-five percent of parity supports are proposed, based upon the immediately preceding 3-year average prices, until 1962. Then allotments would come off, and parity supports or average market supports would go to 90 percent.

The marketing quota exemption would be up to 15 acres, with general authority in existing law to take care of and control diverted acres.

It is estimated that if we follow that program we shall save from \$200 million to \$250 million a year, and more in later years.

So much for wheat.

The proposal also relates to the conservation reserve program, which will expire on December 31, 1960. This proposal would extend the control authority for 3 years.

Maximum annual payments would be raised from \$450 million to \$500 million in any calendar year.

There was contained in one paragraph specific authority to permit discourag-

ing wheat production in given States and regions. I struck that out. Frankly, I do not know what was contrived there, but I want to be sure I am not in the corner of those trying to discourage any State or region. So I struck it out.

Then there is a provision which extends Public Law 480. The expiration date is December 31, 1959. We would extend it 3 years.

The amendment would increase the amount authorized to be expended under title I of the Public Law 480 by \$4,500 million.

It would extend title II of the act for 3 years.

It would increase the amount authorized to be expended under title II of such act from \$800 million to \$1,500 million.

So there is included in the proposal changes in Public Law 480, the conservation reserve program, and the wheat program, plus the Williams amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. The proposal is to increase the amount to be expended under title I by \$4 billion. Is that correct?

Mr. DIRKSEN. Yes; it would increase the amount authorized to be expended under title I by \$4,500 million, and, under title II, from \$800 million to \$1,500 million.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. Is the proposal to extend the program for 3 years?

Mr. DIRKSEN. Is the Senator speaking of Public Law 480 or the conservation reserve?

Mr. ELLENDER. Title 3 of Public Law 480.

Mr. DIRKSEN. The proposal is to extend title 1 for 3 years.

Mr. ELLENDER. Congress usually extends it year by year.

Mr. DIRKSEN. It is proposed to extend it for 3 years.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. The proposal is to extend it to 1962. Is that correct?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. How much does the proposal provide for each year?

Mr. DIRKSEN. I do not have it broken down in that way, but, under title 1, the amount to be authorized to be expended would be increased by \$4,500 million. Title 2 of Public Law 480 would be extended for 3 years. Then, under title 2, it is proposed to increase the amount authorized to be expended from \$800 million to \$1,500 million.

Mr. HUMPHREY. May I ask the Senator if this is the administration program?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. When did the administration change its mind, because



the last notice we had was a 1-year extension? I ask the question only as a matter of interest, because I am pleased with the proposed 3-year extension.

Mr. DIRKSEN. I do not know when or if the administration changed its mind. All I know is what I have before me.

Mr. HUMPHREY. The Senator is reading from a paper. The committee had recommendations from the Secretary for a 1-year extension. I wondered if the Secretary had changed his mind. If so, I wanted to stand up and congratulate him and wish him well. We hope to be able to extend the authority for 3 years.

Mr. DIRKSEN. The Secretary has never indicated to me anything other than a 3-year extension.

Mr. HUMPHREY. In his testimony his recommendation was a 1-year extension.

Mr. DIRKSEN. I was not there.

Mr. HUMPHREY. I gather his testimony was rather official, or was he merely visiting with us?

Mr. DIRKSEN. I would not know.

Mr. HUMPHREY. I would like to know when he is merely visiting with us, because we have such pleasant visits.

Mr. DIRKSEN. All I know is what I know.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Is the Senator able to tell, from the report he had from the Department of Agriculture, whether the bill as now pending before the Senate, without the amendment offered by the Senator from Illinois, will increase the existing cost of the support program?

Mr. DIRKSEN. The best estimate I have is that the Department believes this proposal will increase the cost from \$150 million to \$200 million. I do not have the figures broken down. I have to rely entirely on the personnel who worked on the program.

Mr. LAUSCHE. My question is whether the bill which is now pending, without the amendment of the Senator from Illinois, will lower the cost to the taxpayers or increase it.

Mr. DIRKSEN. The Department takes the position that it will increase the cost.

My friend the Senator from Louisiana [Mr. ELLENDER] shakes his head and indicates "no" to that statement, but the figures I have in front of me are all I have, and they are not broken down. They indicate the cost would be increased, whereas the administration proposal would decrease the cost by from \$200 million to \$250 million.

Mr. LAUSCHE. Am I to understand that the bill now pending before the Senate, if passed, will increase the cost by \$50 million, while the amendment proposed by the administration will decrease the cost by \$200 million?

Mr. DIRKSEN. On the basis of representations and figures that have been submitted to me, the Senator from Ohio is correct, although the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], shakes his head to indicate that is probably not the fact. But

I base my statement entirely on the figures that have come from the Department of Agriculture.

Mr. LAUSCHE. Then, if one is inclined to reduce the cost to the taxpayers—

Mr. DIRKSEN. He would vote for my substitute.

Mr. LAUSCHE. And that would reduce the cost by \$200 million, as declared by the Department of Agriculture. Is that correct?

Mr. DIRKSEN. Yes, and more in later years. It also has the advantage of extending Public Law 480.

Mr. LAUSCHE. I should like to ask one other question. Does the bill pending before the Senate in any way control what shall be done with the acreage taken out of production in order to qualify?

Mr. DIRKSEN. I think that question would almost have to be addressed to the chairman of the committee. The Senator is talking about the diverted acres, and whether they shall be controlled so far as other price supported commodities are concerned.

Mr. LAUSCHE. Under the existing bill, can a farmer say, "I will go under the price support program and take out 20 percent of my acres, but I am going to plant the 20 percent of the acres to other subsidized products"?

Mr. DIRKSEN. I think the bill which came from the committee, even if it might not clear, undertakes to make sure that diverted acres will not be diverted to price supported crops.

Mr. LAUSCHE. I do not think that is the case.

Mr. DIRKSEN. If I am mistaken, the Senator will have to ask the chairman of the committee.

Mr. ELLENDER. That is not correct.

Mr. DIRKSEN. It is not?

Mr. ELLENDER. No. The amendment presented by the distinguished Senator from Minnesota provided that the diverted acres could not be planted to a crop for which price support is available, but the amendment provided further if the farmer did not use the land at all, he would receive a payment in kind, equal to one-third of the crop the land would produce if planted to wheat or corn, for instance.

Mr. LAUSCHE. My question is, does the pending bill in any manner give the Secretary of Agriculture the right to prohibit the planting of the withdrawn acreage?

Mr. ELLENDER. It does not change the existing law in that respect.

Mr. LAUSCHE. So the farmer can get the increased subsidy payment by taking the acreage out of production of wheat, and then plant other products?

Mr. ELLENDER. He could plant anything he desired.

Mr. LAUSCHE. So while we would be reducing the wheat planting we would allow the farmer to increase his planting on the total acreage?

Mr. ELLENDER. The farmer could plant corn, if he desired, or almost anything else.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Mr. President, I yield the Senator from New York 2 minutes or 3 minutes from the time on the bill.

Mr. JAVITS. Mr. President, I, in part, represent a State which is essentially a consumer of farm products, both with respect to urban and suburban population, and with respect to farming population, which is largely engaged in dairying, poultry raising, and similar activities.

Mr. President, I shall support the substitute proposed by the minority leader on the part of the administration.

I do not hesitate to speak with regard to this bill, though it is an agricultural bill. When I was a Member of the other body I did the same thing. I deprecate the fact that unfortunately the representatives of consumers in this body and in the other body do not feel an adequate interest in proposed farm legislation. There is nothing which has greater influence upon the cost of living for the average family, which pays about 30 percent of its total income for food and food products. There is nothing which has greater influence upon the average family than the farm program. I think it is very sad that consumer representatives do not speak out about the farm programs.

Mr. LAUSCHE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, my mail this particular year has been enormous with regard to this question. People do a lot of talking about economy, yet when one plumbs the correspondence and communications one determines it is really not so much a question of cost as it is a question of hopelessness with regard to what we are spending and the results which are being achieved. There are remarkable paradoxes, with mounting costs and mounting surpluses—with tremendous costs for storage, which are about a billion dollars a year now—and constantly accumulating surpluses.

As we can observe from a study of the pending bill, this is a tremendous problem. The committee tells us frankly that as of July 1, this year we shall have a carryover of roughly one-third more than we had as of July 1 last year. This is some kind of a cul-de-sac in which we are, from which it is high time we extricated ourselves. We may have to do it drastically.

I believe the attitude of the consumer is that he is perfectly willing to spend what he is spending now in order to help the farmer over the hill. A problem may arise because of the fact that we need large farms and more mechanization. However, the consumer is absolutely opposed to spending more in the blind alley in which I think the committee bill will take us, and in which the whole farm program as designed in the Congress—in this body and in the other body—constantly has taken us. At least Ezra Taft Benson is brave enough and willing enough to take a beating to try to break the matrix in which we seem to have caught ourselves.

My presentation to my colleagues in the Senate, I think, should do this: I



deeply believe we can find a way out, if we are willing to spend as much money in using food as an instrument of foreign policy, which is the purpose of extending Public Law 480 and increasing the amount available for it; using agricultural commodities as instruments for industrial production, in the great research program proposed; using surplus food for the indigent and the distressed, as my colleagues the Senator from Kentucky [Mr. COOPER] and the Senator from Minnesota [Mr. HUMPHREY] and others have suggested; and seeking to retrain the farm population, even paying the farmers compensation in the process.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, will the Senator yield me 1 additional minute?

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. JAVITS. We could even pay the farmers while they are being retrained, so that they may be moved off the farms into other areas where they will be more productive in terms of the entire economy.

The idea that we can have a yeomanry in the United States is completely archaic. Many of us would like to keep it alive, sentimentally, but we are talking about a situation which has lasted for 10 or 20 or 30 years. I feel that the consumers want us to face reality. I think we face reality a little more accurately with the administration substitute than with the committee bill, which I think would result in the same hopeless situation we have faced for years.

I, for one, do not feel I want to accept the situation insofar as 16½ million consumers in New York are concerned.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield to me? I wish to read a clipping for my good friend from New York.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I, of course, share with the Senator from New York a deep and constant interest in the welfare of the consumers. I should like to have the Senator from New York to listen as I read an Associated Press dispatch regarding a Department of Agriculture survey, taken at the end of 1958. The article reads:

An Agriculture Department market study shows that even if farmers had donated their wheat, consumers still would have had to pay 16.9 cents for a pound loaf of white bread in 1958.

As it was, the retail price averaged 19.3 cents a pound. Thus, farmers got 2.4 cents for the wheat used in a pound of bread that netted the retailer 3.1 cents.

The study showed that bread prices have risen every year since 1945. During much of this period, there has been a decline in wheat prices.

Other farm-produced ingredients in a pound of bread—lard, sugar, and dried milk—brought producers six-tenths of a cent last year.

The study said the increase in bread prices had reflected higher marketing margins,

mostly involving the baker. The Department cited higher wage rates and higher costs for wrapping materials.

Mr. President, I want my good friend from New York to know that if every wheat farmer in the United States decided to produce wheat as the Nation's No. 1 Santa Claus, and to give it to all the bakers of New York, it would save the consumers only 2.4 cents a loaf on their bread, and the consumers would still be paying 16.9 cents a loaf, though the farmer never received one penny.

All the talk about what effect the passage of the bill, whatever may be the results of its passage, will have on the consumer, I will say, is really redundant. The truth is that, if we should raise the price supports 5 or 10 cents, it would not be reflected in a cost of more than one-half of 1 cent to the consumer.

Mr. JAVITS. Mr. President, will the Senator yield for an instant, since he has referred to me?

Mr. HUMPHREY. Indeed, I will yield to my friend.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. JAVITS. We do not want to argue at cross purposes. This is no time for extended debate. I should like to emphasize that we are dealing with the taxpayers, who are also the consumers, who are very resentful about paying billions of dollars when the situation seems to be hopeless. What the Senator himself has said emphasizes its hopelessness.

I say to the Senator, let us see if we humanly can break this matrix. That is all I plead for; and any right-minded consumer only asks for that. Let us not go into the details of whether it will or will not save a penny. The situation looks hopeless. That is all I say to my friend.

Mr. HUMPHREY. I will say to my friend, we can break the matrix with a change in administration.

Mr. ELLENDER. Mr. President, the Committee on Agriculture and Forestry gave very careful consideration to the program which has been submitted by my good friend from Illinois.

The program he is suggesting would mean that in 1960 the price of wheat could go down to \$1.41; in 1961, to \$1.29; and in 1962 to \$1.14.

With all due deference to my distinguished friend from Illinois, I must state that I am somewhat amazed at the package he offers the Senate. Part 1 of his substitute is the administration's wheat program. This program was studied by the committee, and studied carefully, considering the delay involved from its initial announcement in extremely general terms by the Secretary, and its final submission in bill form to the committee. I do not intend to dwell in any great detail on this approach. Suffice it to say that the committee considered it, and found it wanting. It would not, in my opinion, do anything more than offer the prospect of further increases in production, lower farm income, aggravated

surpluses and increased costs to the Government.

The Senator's substitute would also greatly broaden the conservation reserve program of the soil bank. I need not remind Senators that this is the second phase of the soil-bank program, a program which has already given a black eye to the entire farm program. I am most reluctant to increase and expand a program involving direct payments to farmers for taking their land out of production for long periods of time. It may be that we will ultimately be reduced to taking such a program, but I urge Senators to withhold cramming any such scheme down the throat of American agriculture until our committee has at least had a chance to examine this latest proposal in detail.

Earlier today, in connection with the amendment offered by the Senator from Delaware, I took great pains to point out that the direct payments feature of the soil bank, including both the acreage and conservation reserve, has contributed much toward creating and fostering the prevailing misunderstanding of the price support program. Thanks to the press, and others, the public has been given the impression that payments made under the soil bank program are part and parcel of the price support program. Before extending the soil bank, before embarking upon a bigger, costlier, conservation reserve, I do believe that the Committee on Agriculture and Forestry should be given a chance to see where the Department wants to lead us in what is apparently an effort to move down the direct payments road, even though such payments in this case are soil bank payments.

The third part of the substitute offered by the Senator from Illinois involves a 3-year extension of Public Law 480, the so-called Surplus Disposal Act. As Senators well know, the committee has generally insisted that Public Law 480 be extended only on a year-by-year basis. We have endeavored to keep it a temporary program. Here we have a proposal to extend it for 3 years, at an annual expenditure of \$1½ billion.

Title II, donations, would be increased from \$700 million to \$1½ billion.

To a large extent, I am mystified by what is apparently the administration's position on this matter. The Secretary of Agriculture, indeed, the President himself, have both stated on several occasions that Public Law 480 sales for foreign currencies, and the other disposal authorities contained in that law, should not be regarded as long-range programs—that such sales should not be regarded as real consumption of agricultural commodities any more than, in their words, warehouses should be considered markets.

In the light of the past reluctance of the Congress to embark upon long-range authorizations for Public Law 480, and in view of Secretary of Agriculture's past position on this matter, I urge Senators to join me in opposing a 3-year extension of this program.

Mr. President, I ask that the amendment offered by the Senator from Illinois be defeated.



Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. I trust the chairman will give us assurance that the extension of Public Law 480 will be considered by the committee.

Mr. ELLENDER. Certainly. We expect to consider it.

I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. NEUBERGER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were not ordered.

Mr. LAUSCHE. Mr. President, may I have 3 minutes?

Mr. DIRKSEN. I yield 3 minutes on the bill to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I wish to offer my support to the proposal of the administration with respect to the farm program.

By June 30, 1960, there will be \$3½ billion worth of wheat in the bins. From 1954 to 1958 the cost to the taxpayers was \$2,533 million. Statements have been made to the effect that 20 years of study have been devoted to this problem for the purpose of solving it. At the end of 20 years we are worse off than we were in 1938.

Arguments are made to the effect that no benefit will come to the consumer in the city. All I know is that there is \$9 billion worth of surplus food in the bins, costing the taxpayers \$1 billion a year for storage and administration.

Finally, I cannot understand why the Committee on Agriculture and Forestry, when it says it is necessary to take wheat out of production in order to reduce the surplus, inserted no provision in the bill to the effect that when a farmer is paid for taking out of production his acreage of wheat, he shall be prohibited from using it for other crops. I cannot understand why the committee failed to include such a provision in the bill.

We shall be committing a swindle upon the consumers of the country when we tell them, through the existing bill, that wheat will be taken out of production, unless we also tell them that we have told the farmer, "Take your wheat acreage out of production and then plant it to other crops."

I will support the administration proposal, and vote against the committee bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time on the pending amendment.

The PRESIDING OFFICER. All time on the amendment has been exhausted or yielded back on both sides.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.] The "noes" appear to have it.

Mr. LAUSCHE. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield me 2 minutes on the bill?

Mr. DIRKSEN. I yield 2 minutes on the bill to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, the Senate is now considering a wheat bill primarily because the present program has failed.

It has failed to bring production in line with need.

It has failed because it has piled up over \$3 billion of wheat in Government investment and inventory.

It has failed because it has cost the American taxpayers many millions of dollars.

It has failed because it has not helped the family farmer to earn a fair standard of living for his family.

Since the majority of the farmers will elect to plant their present allotment and receive 65 percent of parity, as against the 75 percent under the present law, farm income will be decreased through the passage of this bill.

Furthermore, with the same allotments, but a lower price, farmers will make every effort to increase present production per acre. Therefore, total wheat production will increase.

With the same or more production, hundreds of millions of bushels will be added next year to the already bulging Government inventory.

And what happens to the small farmer, who under the present law, can plant 15 acres of wheat?

It will cut his exemption 20 percent.

In other words, this bill will not cut the big wheat farmer—only the small wheat farmer.

Last year the Congress made special provision to help the small cotton farmer. I supported that action. Now we are about to vote on a wheat bill in which the small wheat farmer is the one hurt.

I am aware of this wheat situation, and agree that something must be done. But S. 1968 will not solve the surplus problem. It will not reduce the cost of the farm program. In addition, it will further reduce the income of the small family-sized operator.

Therefore, Mr. President, I am against the bill.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time on the bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time on the bill.

The PRESIDING OFFICER. All time on the bill has been exhausted or yielded back.

The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

Mr. JOHNSON of Texas. Mr. President, I ask for a division.

On a division, the bill was passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:*

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The Secretary is authorized and directed to offer the operator of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, a choice of—

"(A) complying with the farm acreage allotment determined pursuant to the Agricultural Adjustment Act of 1938, as amended, with price support at 65 per centum of the parity price therefor, or

"(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or

"(C) reducing the acreage of wheat below the farm acreage allotment by not less than 20 per centum of such allotment with price support at 80 per centum of the parity price therefor.

To be eligible for price support, producers who elect choice (B) or choice (C) must not knowingly exceed the wheat acreage for the farm applicable under such choice. Any person operating more than one farm, in order to be eligible for either choice (B) or choice (C), must elect such choice for all farms for which he is the operator. The Secretary shall determine and announce the support price for producers who elect choice (A), choice (B), and choice (C), respectively, in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative choices available to him. The operator of each farm, within the time prescribed by the Secretary, shall notify the county committee in writing whether he desires choice (B) or choice (C) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have elected choice (A). The choice elected by the operator shall apply to all the producers on the farm. Price support under this section shall be made available only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to co-operators shall be as provided in section 101(d)(3). Whether marketing quotas are approved or disapproved, price support shall be made available only if acreage allotments under the Agricultural Adjustment Act of 1938, as amended, are in effect for the crop and only to co-operators. No price support for wheat shall be made available to producers outside the commercial wheat-producing area. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat in order to be eligible for price support as provided in choice (B) or choice (C) shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section



2(f) of the Wheat Act of 1959, relating to reduction of the storage amount of wheat, the acreage of wheat determined by the Secretary to have been diverted in order to be eligible for price support as provided in choice (B) or choice (C) shall be regarded as wheat acreage of normal production on the farm. For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 per centum of the parity price as of the beginning of the marketing year."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be a rate per bushel equal to the support price per bushel established for producers electing choice (A) under section 106 of the Agricultural Act of 1949, as amended.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment; an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

(g) Section 335(d) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

SEC. 3. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

SEC. 4. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed \$35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation. In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of \$35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation."

SEC. 5. This Act may be cited as the "Wheat Act of 1959".

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. HUMPHREY. Mr. President, I wish to state for the RECORD that while we have had a very extended argument on the bill today, I believe the amendment of the Senator from North Dakota [Mr. Young] improved the bill substantially. However, I must say in all candor that the bill is still an income reducing bill. I wish to make a prediction, which we shall have an opportunity to review next year, that the total production of wheat will not be substantially reduced, if reduced at all, and income will be reduced.

I do not think this is a particularly good bill. I think it is a bill which will not lend itself to saving the taxpayer money; nor will it improve the economic condition of the American wheat producer.

Our gratifying feature of the bill is that at least there are some limitations imposed, in terms of the total amount of crop loans. Second, there is a stiffening of penalties for noncompliance. The features of the bill which are notable relate to no price supports for noncompliers, improvements in penalties for violators, and the part which the Senator from North Dakota contributed to the bill, providing for 75 percent of parity with a 10 percent reduction in acreage.

I am sorry that this kind of legislation comes to us commodity by commodity. I will say for Mr. Benson that he has been a most effective political figure. He has been able to divide the forces in the Congress which once stood together in behalf of good farm policy.

Furthermore, I wish to say that the administration's farm program is a colossal, unmistakable failure. It is the most costly peacetime operation of domestic civilian government that we have. It has eliminated thousands of farmers from the land. It has placed upon the American people a tremendous burden of cost for a farm program.

The Department of Agriculture has more employees today than it has had in any time in its history, save in wartime. The county committee system is a shambles. The Commodity Credit Corporation is loaded down with inventories.

The prices of the crops of farmers are coming down. Where the Administration program has worked its full will, production has zoomed, prices have gone down, and inventories have gone up. I feel that it is imperative to say this again and again, because the monkey is on the back of this Administration. It has mismanaged its farm program.

I am grateful that the Senator from Missouri [Mr. Symington] will conduct an objective and far-reaching and searching study. It is long overdue. I say to the Senate that it is my belief that this kind of program needs to be analyzed.

It was said a while ago that the program has been getting worse each year. I remind the Senate that on January 1, 1953 there was less than \$1,250 million worth of supplies in the ownership of the Commodity Credit Corporation. I remind the Senate that at that time the Department of Agriculture spent less than \$1,100 million a year. At that time



there were 18,000 fewer employees in the Department of Agriculture than there are today. This department today spends 6 times as much money. It has 7 times the amount of inventory. It has 18,000 more employees. There are hundreds of thousands fewer farmers today. Farm prices have gone down.

When I heard concern expressed about the consumers, I could not help think that the farmer's share of the food dollar which the housewife spends in the market place is smaller than it has been at any time since the depression of the 1930's.

Some persons call this a farm program. We have a great deal more to do, when it comes to a farm program, than this bill. There will be a day when there will be one which will be worthy of its name—if there are left any farmers for whom to have a program.

Mr. DIRKSEN. Mr. President, I thought we had passed the bill. Evidently the echoes of frustration are still with us. I should amend the statement made by the distinguished Senator from Minnesota by saying that the farm program is the most colossal inherited failure of previous administrations and the Democratic Congresses that have preceded us. It is a bitter inheritance, and now it is here. However, we will not put the monkey on our own backs. We will put it where it belongs. It comes with poor grace to castigate one of the most courageous Secretaries of Agriculture who has ever held that office.

#### ORDER FOR ADJOURNMENT TO TUESDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER OF BUSINESS

Mr. DODD obtained the floor.

Mr. DODD. Mr. President, I hope I shall not be too long, but I have prepared an address which I wish to make, on the state of our mineral resources. I shall be glad to yield to the Senator from Oregon and other Senators who may have short statements to make. My statement will be somewhat lengthy, but I must make it today.

Mr. MORSE. I do not want the Senator to yield to me until he fully understands that it will take me about 5 minutes to say what I wish to say.

Mr. DODD. I am happy to yield to the Senator from Oregon. I do not wish to detain him or other Senators if they want to make short statements.

#### THE FREE LUNCH PROGRAM IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I note that Senate Report No. 304, filed in connection with H.R. 5676, the 1960 appropriation bill for the District of Columbia, provides for only \$133,000 to finance a free lunch program for 1,000 hungry

school children. The House of Representatives has approved of a \$266,000 program covering 2,000 boys and girls. Evidence before my Subcommittee on Public Health, Education, Welfare, and Safety of the Senate District Committee satisfied me that there are a minimum of 7,000 children who need and can with great advantage to their health and behavior use one square meal a day at school.

As only one statistic of the many which were presented to the subcommittee I cite the fact that some 11,500 families with 45,755 children have an annual income of less than \$3,000 a year, here in the Capital of the richest Nation in the world.

I made my position clear to the Appropriations Committee in testimony which I later brought forth on the floor of the Senate. It can be found on pages 4695 through 4700 of the CONGRESSIONAL RECORD.

I ask unanimous consent, Mr. President, that my remarks, found on those pages, be printed at this point in my statement.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

#### PUBLIC WELFARE PROBLEMS OF THE DISTRICT OF COLUMBIA—HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I made today before a subcommittee of the Committee on Appropriations under the able chairmanship of the distinguished Senator from Rhode Island [Mr. PASTORE] concerning the school lunch program and other public welfare problems confronting the District of Columbia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### "STATEMENT OF SENATOR MORSE BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE, WEDNESDAY, MARCH 25, 1959

"Mr. Chairman, you will recall that 2 years ago I met with your subcommittee upon an errand similar to the one I am on today. My appearance then, and my appearance today, followed hearings before the Subcommittee on Public Health, Education, Welfare, and Safety on the problems of hungry children in the District.

"In preface to my recommendations, I wish to extend to you and your colleagues, my commendation for the positive action made possible by the funds supplied by you. Testimony before my subcommittee shows clearly that the assistance given by the Appropriations Committees of the House and the Senate has enabled progress to be made in the beginning of an attempt to solve the very difficult and complicated problem of poverty and its social concomitants in the District.

"One good measure of accomplishment so far is the table which I now present to you contrasting relief payments and cases in January 1956 with January 1959. Reflected in these figures is the abolition of the 83 percent of need limit which formerly prevailed. This is a significant step forward in ridding our welfare program of extraneous restrictions which have no relationship to what should be our primary concern—prudent but speedy provision of adequate financial assistance to those in our population who are destitute, the aged, the fatherless, the disabled and the blind.

#### "Relief cases and payments, District of Columbia

Type	January			
	1956	1957	1958	1959
ADC:				
Cases.....	2,050	2,221	2,889	3,610
Persons.....	8,858	9,650	12,731	16,267
Children.....	6,817	7,386	9,733	12,509
Average grant:				
Per family per month.....	\$109.39	\$114.08	\$123.24	\$146.71
Per person per month.....	\$25.32	\$26.26	\$27.97	\$32.56
Old age assistance:				
Cases.....	3,064	2,980	3,131	3,135
Average grant per month.....	\$53.61	\$56.51	\$56.13	\$60.09
	Monthly grant, percent change per case, 1956-59		Increase in monthly grant, 1956-59	
ADC:				
Family.....		134.1		\$37.32
Person.....		128.6		7.24
OAA (case).....		112.1		6.48

"NOTE.—In 1956 grants had an 83 percent of budgetary need limitation. In 1959 grants should reflect 100 percent of need, because of newly adopted standards.

"General cost of living in the District increased, according to BLS index, from 115.9 in 1956 to 121.5 in 1958 (November data) or an increase of 5.6 points or 104.8 percent of the 1956 base.

"The surplus food distribution program, made possible by funds supplied by your subcommittee, is of major importance to the 44,434 low-income individuals who are eligible.

"Because of your interest, and that of your colleagues in the House, it begins to look as though some needy elementary school children will, next year, be given one square meal a day through the wise use of public funds.

"I say this by way of preface, Mr. Chairman, because I believe that credit should be given where and when it is due.

"I am sure however, that none of us is laboring under the misapprehension that what has been done is the complete and final answer to the problem, either in terms of quality or quantity. We have but begun to till the soil of social justice for these less fortunate human beings, the harvest of humanity to man is far in the future. Much remains to be done.

"It should be a matter of commonsense that a hungry child will be restless and irritable. Every parent knows that. Certainly such was my own observation with my own children when traveling across the country and we missed our regular dinner hour or when for one reason or another dinner was late at home. But in order to document the relationship which exists between nutrition and ability to learn in school, I asked the Library of Congress to search the literature of scientific investigation for published material on the problem. In the space of 2 days the Library had developed some 24 citations plus 4 masters theses devoted to the subject. The conclusions are as might be expected—that there does exist a close relationship between ability to learn and an adequate diet.

"Marian C. Behr, in the School Executive, reported, for example: 'Achievement tests taken before and after a lunch program was provided in school show great improvements when lunches have become a regular routine. When a county gives its schools achievements tests, the ones serving a balanced lunch to most of their children invariably have the highest scores.'

"Jane M. Leichsenring, in the Minnesota Journal of Education, stated: 'In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, im-



for years hold that all his political attitudes—his cold dispatch, his skepticism, his passionless cunning—were born of his formative years battling Moor, playing off one tribe against another, maneuvering and weaving and dodging with tireless skill and improvisation. Thus, at least, has he ruled his own people.

He is, in morals and manners, a man of discipline edging on asceticism, order verging on fastidiousness. He is known for singularly un-Latin fidelity to his wife; to her and his three grandchildren his devotion is warm and complete. He does not smoke or drink, even wine. He has a passion for punctuality and for personal neatness. At work, he is feverishly industrious, maddeningly meticulous, and stubbornly secretive. At the Palace of the Pardo, he stays at his desk in disdain of hourly routine, often lunching as late as 5 or 6 in the afternoon. At Cabinet sessions, he has shown himself able (until recently) to sit from 5 p.m. to 3 a.m. without stirring, without even sipping a glass of water (while colleagues with weaker kidneys or stronger appetites miserably slide in and out to satisfy their needs). Discussion at Cabinet delves to the most minute details, but when he faces serious decisions he listens to many and confides in none.

He is, plainly, a man alone, if not lonely. Ill at ease with people generally, boasting no intimate and trusting no confidant, he seemingly has ever lived so. The family into which he was born brought strangely little warmth to his life. He was never close to his father, and of his two brothers, the younger, Ramon, was a dashing aviator hero in the republican days; a career of fighting Francisco's armies in the civil war ended with a fatal crash in 1936. Now, more than 20 years later, in the Palace of the Pardo, the cold and quiet older brother ponders what finally to do with the victory he wrought, for he alone knows what he proposes to do with his country.

But many a citizen of Spain, these days, wonders: Does he know?

#### WILL THE FUTURE BE TRAGIC?

Neither for the people of Spain nor for the diplomacy of America do there exist brisk and simple answers to present dilemmas or future dangers. No simple axiom rules, no neat epigram reveals, no slick syllogism can resolve the nation's problems. Yet it would not seem too much to ask of U.S. policy that it begin, at least, to show some awareness that the dilemmas and the dangers exist.

The issue can be neither evaded nor concealed by diplomatic genuflection to the sovereignty of Spain, as a thing that must be untouched and unmoved by U.S. pressure or influence. For no matter how passionately the United States professes a policy of non-interference in domestic Spanish affairs, the fact is that both its military and its economic investment in Spain does profoundly affect these affairs. In essence, the U.S. military presence casts America in a clear role on the Spanish scene—as an almost indispensable ally and friend of the Franco regime. As a politically temperate and dispassionate Madrid friend of mine recently remarked, coolly and without much rancor: "You know, of course that you now have become the great strength of this regime. We are all, in a real enough sense, dependents of the Pentagon."

If Washington is unaware or unconcerned, Moscow is not. The Communist underground in Spain is thriving. Its efficiency can be judged from the speed with which Radio Moscow reports and comments on local Spanish developments. Its number of trained agents has increased precisely as the development of U.S. bases has summoned Soviet attention. And its propaganda shows the new zeal and force that might be expected, now that it has become so simple

and plausible to identify the will of America with the rule of Franco.

The worst, indeed, may not happen. Time may not, perhaps, run out before chaos comes again. The Falangé may be forced to tolerate slow emergence of new political groupings, the monarchy may be restored before it has become hopelessly compromised by Falangist sponsorship, and a measure of civic freedom may let in some saving air for a people to breathe.

Yet the chance of all this happening spontaneously—and in time—scarcely seems the kind of rock upon which a provident diplomacy builds. For, in a near and rather fearful future, it is entirely possible that the following events could come to pass:

Spain could erupt in turmoil—with tens of thousands of U.S. soldiers and civilians, scores of U.S. bombers and jets, caught on the chaotic scene.

Forces of reform or revolution could swiftly gravitate toward the extreme left, to begin a reenactment of the tragedy of the 1930's.

This time there would and could be no U.S. "neutrality" for the whole military posture of the Western allies could be put in jeopardy.

And—once again—U.S. policy would be forced, by rude exigency of the moment, into actively defending a kind of status quo hard to reconcile with American professions of political principle.

None of these can be called an imminent prospect. But the pertinent question is: must U.S. diplomacy abjure all clear sense of purpose until such prospects are imminent—or inescapable?

If it is American purpose to slow the pace of political change in Spain as much as possible, all is well—for this is the end now being served by the entire weight of the U.S. presence in Spain, the full spirit of U.S. conduct.

If it becomes American purpose to encourage and urge change—in the name of the hope of peace and some freedom for the Spanish people—then U.S. diplomacy must soon find its tongue and its will.

Such a new sense of purpose might serve—and save—a number of things. It might, for example, save America and its allies a tormenting future crisis. It might spare the people of Spain infinite unwanted suffering. And it might spare freedom yet another national casualty, needlessly left to die.

[From the St. Paul Dispatch, May 18, 1959]  
WITH EMPTY PORTFOLIO—FRANCO FOE VISITS  
STATE DEPARTMENT  
(By Robert E. Lee)

WASHINGTON.—A European prime minister with a practically empty portfolio but plenty of hope checked in quietly with the State Department last week on a deliberately unheralded visit.

He was Felix Gordon Ordas, first minister of the Spanish republican government-in-exile which looks toward the day when a bloodless revolution of the ballot box will return it to power.

Neither the Department nor Gordon Ordas acknowledged that the informal meeting took place. It was reliably reported, though, that it did occur, as have other sessions when Gordon Ordas and other exiled Spanish republicans were in town.

Meetings of this nature are delicate as the United States has recognized the government of Generalissimo Franco since the end of the 3-year Spanish Civil War in 1939. However, the State Department regards the government-in-exile represented by Gordon Ordas as probably the largest and certainly the most legitimate of the forces hoping for Franco's demise.

Gordon Ordas has no misapprehensions about the difficulty of the task confronting the loosely-knit, prodemocratic opposition

to Franco, which includes various shades of exiled republicans and assorted groups within Spain. The latter consist of an underground, some union and student groups, Basque nationalists and others adding up to a force of questionable size and political influence.

#### THOUSANDS AT WORK

But the Prime Minister claims the adherence of some 200,000 republican exiles in France where his government is based at Paris—and 100,000 elsewhere in the world, mostly in Latin America. He says "many, many thousands" of Spaniards are actively at work in the underground. That the underground numbers more than a handful is indicated by the Franco government's virtual admission that it has more than 1,000 political prisoners.

According to Gordon Ordas, the internal opposition to Franco also includes influential military people who have become disenchanted with the regime, important priests and a small but very active cadre of Communists.

There are also many neo-royalist Spaniards who hope to install the pretender, Don Juan, or his son, Don Carlos, on the throne vacated by Don Juan's father, King Alfonso, in 1931. There have been recent reports that Franco, now 66, is considering setting up a monarchist successor to himself, although he said in February that monarchy was out during his own lifetime.

While Franco appears to be in good health and going strong, according to Gordon Ordas and others who should know, everyone with something at stake is speculating on the possibilities should he die soon or for some other reason abandon his position. It appears that nothing can be done while he lives and rules, except plan and plot.

It also appears that no Spaniards, within or without the country, want a repeat of the 1936-39 bloodbath in which 1 million of the 26 million Spaniards then living there were killed.

#### LIKELY PROSPECT

A likely prospect, in the view of U.S. observers, is that power would pass to the chief of the military staff, Augustin Munoz Grandes, who shares with Franco the distinction of wearing five stars. Grandes, so the speculation goes, might decide to bring back Don Juan or Don Carlos and set up a limited, constitutional monarchy with a parliament chosen in a mildly democratic manner.

Another possibility is that one or more military leaders would seize power after Franco's fashion or form a junta and try to maintain the status quo.

But Gordon Ordas, a prominent member of Parliament during the precivil war days of the Republic, says his government-in-exile is counting on free elections, in which he claims the Republican Party could win "more than 80 percent of the votes."

By Republican Party he means a combination of the anti-Franco and anti-Royalist forces with whom the Paris government has agreed to form a single party of the left after dissolving itself. If this united front ever came about it would be liberal but not necessarily Socialist, according to U.S. sources.

Gordon Ordas has firmly rejected collaboration with the Communists and he also rules out any accommodations with the Royalists, saying their approaches to the Paris government have already been rebuffed.

#### RELYING ON PRIESTS

Because of the possibility of political persecution in Spain, he is vague about what kind of an underground organization would be awaiting the fall of Franco.

He hints strongly at a working agreement with military elements, and places heavy reliance on priests of the Roman Catholic Church.

"The priests in the Basque are all Republicans," he says, "and so are many in Ma-



did. Elsewhere in the country their loyalties are divided."

He places much stock in a recent move of Pope John XXIII—the overturn of an arrangement Pope Pius XII had with Franco under which Franco had a strong voice in naming Spanish bishops.

Gordon Ordas insists that the United States' \$400 million Navy and Air Force base program in Spain not only helps Franco but also gives the Communists political ammunition. He insists we don't need the bases from a military standpoint.

[From the Evening Star, May 20, 1959]

#### REBELS FIGHT IN SPAIN, CUBAN ADVISER SAYS (By Neal Wilkinson)

HAVANA, May 20.—Armed rebels have been fighting the Franco regime in Spain for more than a month in a revolution directed by veterans of Fidel Castro's July 26 movement, according to a highly informed source here.

The resolution, according to Gen. Alberto Bayo, technical adviser to the armed forces of Cuba, began on schedule on April 14. He revealed details and tactics of the revolution, known as the "14th of April movement," in an exclusive interview with the North American Newspaper Alliance.

The general, known as "El Gran Bayo" to revolutionary forces in Latin America and in Spain, where he led Loyalist forces during the Spanish civil war of the 1930's, said that he was elected leader of the April 14 movement several months ago at a convention of Latin American revolutionaries in Caracas, Venezuela. Cuban and Venezuelan leaders have been the most vigorous opponents of Latin dictatorships in recent months.

#### TRAINED CUBAN REBELS

General Bayo is the man who trained Fidel Castro and his original followers in guerrilla tactics in Mexico 3 years ago. He is credited with the master plan for the overthrow of the regime of Fulgencio Batista.

The Spanish revolution which allegedly began on April 14 is confirmed by other sources here. The Cubans claim:

1. A train was dynamited, on the evening of April 14, at the entrance to a tunnel near Puerto de Pajares. The dynamiting allegedly was done by a band of guerrillas led by Antonio Rodriguez, who is a Cuban and a veteran of the Spanish civil war.

2. Government troops in Catalonia and Andalucia are engaging the rebels;

3. Fighting is particularly heavy in the region between Lavinana, Mieres, and La Felguera, where miners have fled to the hills carrying with them supplies of dynamite;

4. That rebel strongholds have been established in Asturias and Barcelona;

5. Two weeks ago a plane crashed near Madris, killing all 28 passengers. The Cubans claim the crash was caused by an act of sabotage by the rebels.

#### SPANISH ENVOY PROTESTS

Juan Pablo de Lajondio, Spanish Ambassador to Cuba, has protested to the Cuban Ministry of State regarding these claims, particularly regarding the plane crash 2 weeks ago. The Ambassador conceded that a plane did crash but objected to the claim that rebel sabotage was involved.

General Bayo, in the exclusive interview with this reporter, pointed out that General Batista also denied every claim of rebel success during his regime. By the time the rebel claims in Cuba had been verified, he said, the revolution had been won.

"Franco is keeping the truth from the world, just as Batista did," he said. "But our intelligence is very accurate, although it takes several weeks sometimes, for reports to reach us." Other sources reported here that Spanish Loyalists in Latin America have maintained a courier service to Spain and a

network of spies there for nearly a quarter of a century.

General Bayo insists that he is not sensationalizing:

"We would be very stupid indeed to make false claims. The people who live in these (Spanish) regions would know that we were lying, the word would spread and if our words proved false the revolution would be lost before it had begun."

#### CALLS CRASH SABOTAGE

He said that the plane crash unquestionably was the work of sabotage. "We issued many warnings before that," he said. Don't fly on Franco's airlines. This is total war. They will be sabotaged." The only reason General Franco acknowledged the disaster, he said, was that the news of an air crash is difficult to suppress.

"A filed cable concealed by thick grease is most effective" in sabotaging planes, he added.

General Bayo said that the April 14 movement probably would be branded as Communist. "The Russians were an ally of the Spanish Republic and we are blamed for their sins," he said. "Franco was backed by Hitler and Mussolini. Russia later became your ally against them in World War II. Does that make the United States 'Communist'?"

The general also said that he valued United States understanding of revolutionary problems, both in the Americas and in Spain, but that contained U.S. support of dictators had backfired militarily by creating alliances between democratic revolutionists and Communists.

#### ALIBI IKE, RUNNING TRUE TO FORM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Alibi Ike, Running True to Form," written by Samuel B. Gach, and published in the California Jewish Voice.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### ALIBI IKE, RUNNING TRUE TO FORM

(By Samuel B. Gach)

She did not know that her remark would hit the press and become public.

This astonishing immoral alibi was part of what Ike told newsmen Wednesday when questioned about the propriety of Clara Booth Luce's below-the-belt punch at Senator Morse of Oregon.

Ike explained that though her crack about Morse being kicked in the head by a horse may have been ill advised, it was human and made in privacy.

This hypocritical regime has for 6 years been pointing to what it termed the lack of ethics and downright immorality of Ike's predecessor Harry Truman and his administration. We also recall every pledge Ike made when running and every snide crack he made against the people who made him.

We weren't blinded by shining brass then nor are we any more disillusioned now. The outfit was phony to begin with and hasn't changed a bit. It hasn't kept its pledges and its morals are low.

The crack about Luce's remark not having been meant for public consumption is the code to the high principles which have governed our country since 1933. It spells that everything goes, but don't get caught.

Ike tore the hide off of Truman and blamed him because a few supernumeraries latched on to a free icebox. Ike, in turn, was forced by exposures to ask for resignations from several of his top people, including his first aid Sherman Adams, for deeds done or in the works on every Commission which would have robbed the taxpayer blind.

Did he flinch, stammer or blush? No. Upon a return from his usual weekend of golf or from his more frequent longer vacations, he would don the halo, attend services Sunday, and tell the world what a good boy am I.

Now the whole free world is rejoicing in Harry Truman's 75th birthday coming up May 8 and with respect and affection recalls the simplicity, straightforwardness, good humor, his uninhibited consideration for his fellow man and his genuine piety.

Unlike his successor, Truman never felt comfortable with the millionaire class which Ike has cultivated. The people and their problems were his prime concern. And to this day he is tireless in his interest in the welfare of our country.

History will say that though the mantle of leadership was thrust upon him, Harry Truman, humble citizen, intuitively made the right decisions at moments of crisis in history.

And what will they say about Ike and his administration? One thoroughly experienced judge of events, past and present, has said it for American listeners just this week. We share his opinion wholeheartedly. The remarks of Britain's Field Marshal Viscount Montgomery on a Murrow telecast deserve to be rebroadcast.

In a nutshell, Monty labeled Ike's leadership in war and peace as timid, weak and ill. And which unbiased and unblinded American can, after 6 years of administration fumbling, deny the truth of this charge?

A quick rundown: They hate us in Canada and South America. Since permitting the Reds to enter the Middle East, by our coddling of the Arabs and giving them Suez, we are distrusted in Europe.

We lost considerable of southeast Asia to the Reds and our former friends, Burma and Indonesia, don't want us around. India doesn't like us and North Africa hates our guts. The Middle East is seething and heads of kings have hit the dust. All this and Eisenhower too.

Monty was right and Truman was great. So history shall say. You can understand Ike's hatred of Truman. The previous administrations gave him the boost to where he is. But he is placing himself where in history he will be.

#### THE WHEAT BILL

Mr. NEUBERGER. Mr. President, I believe the distinguished Senator from Delaware [Mr. WILLIAMS] deserves great credit for his persistence in seeking to place a limitation on the amount of the price support payments which any one farm operation can receive in a given calendar year.

Since I became a Member of the Senate, in 1955, I believe I have consistently supported the Senator from Delaware in every effort he has made in this respect. I believe that his success today is a signal accomplishment, and I was greatly pleased to be able to associate myself with him in that cause.

I feel that it is desirable that this limitation apply across the board to any one operation, rather than to have it apply to a single crop or commodity, which could then result in many times \$35,000 being paid. I hope that the amendment of the Senator from Delaware, which the majority of the Senate supported, will be retained in conference and will be sent to the desk of the President for his signature.



I think the record should note one other thing: When I requested a ye-and-nay vote on the administration's alternative farm program as offered by the distinguished minority leader, I received very little support from the Senate in that respect. I think this raises some doubts about the offering of the proposal. When something so important as the administration's farm program is offered as a substitute for the bill before the Senate, there should be a ye-and-nay vote on it, so that there will be an accurate determination of senatorial sentiment in that regard.

#### LONG-RANGE WHEAT SOLUTION NEEDED

Mr. President, I regret that the Senate has not seen fit to adopt a comprehensive, long-range approach to problems involving the production of wheat.

As a cosponsor of S. 1484, authorized by the Senator from Kansas [Mr. CARLSON], which would provide a wheat stabilization plan containing the two-price concept, I had hoped that the principle of the domestic parity plan would receive more extensive consideration by the Senate.

Earlier this year I pointed out to members of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry the reasons why I believe that S. 1484 provides an excellent starting point for necessary revision of portions of our Federal agricultural program. I have noted that S. 1484 would:

First. Assist in reducing huge wheat surpluses held by the Commodity Credit Corporation.

Second. Provide savings to the Treasury of over \$750 million in decreased storage and price support payments.

Third. Permit adoption of a wheat program favored by a majority of wheat farmers, including the Oregon Wheat Growers League in my State.

Mr. President, I think that S. 1484 represents a workable and realistic wheat program. While the urgencies of the present situation demand immediate action, I hope that the Senate will not regard the present legislation as a final solution, but will reexamine the triple benefits which I believe that S. 1484 will supply to the public and the farmer.

The wheat stabilization embodied in S. 1484 recognizes four basic and vital concepts.

First. The expansion of CCC wheat stockpiles should be halted and holdings reduced to a normal level.

Second. A decrease in the net income of wheat farmers does not necessarily mean a reduction in wheat production.

Third. Solution of the overall farm problem is not aided if reduction in wheat acreage results in a shift to other crops which may be in surplus.

Fourth. Greater yields per acre should not be automatically reflected in larger Government stores of wheat.

I believe that these basic premises are sound. S. 1484 provides the administrative details which would make their implementation reality. The bill should be enacted and the program given a trial.

Mr. President, I think that we should recognize that wheat surpluses represent an opportunity as well as a problem. Our abundance can mean freedom from hunger for countless thousands in less fortunate countries. This is why I am happy to be a cosponsor of the comprehensive food for peace bill introduced earlier this year by the senior Senator from Minnesota [Mr. HUMPHREY]. This legislation would permit the United States to more effectively aid underdeveloped nations to feed their citizens and to promote economic progress. I think that this proposal has great significance for wheat. Many Western and Asian nations now suffer from inability to produce an adequate food supply—including bread—for their citizens. Within the past few years Oregon wheat growers have demonstrated that wheat can become an important food in the diet of Oriental peoples.

Mr. President, on May 17, 1959, the Sunday Journal of Portland, Oreg., published an excellent editorial entitled, "Wheat Surplus and World Market." The editorial discusses the need for the creation of a program which will more adequately assist in channeling our excess wheat production into the world's hungry mouths. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) Sunday Journal, May 17, 1959]

#### WHEAT SURPLUS AND WORLD MARKET

The U.S. wheat surplus problem would be much easier to deal with were it not inextricably involved in foreign policy.

To the average American, it makes sense to take wheat out of bulging bins and ship it abroad. The United States has been doing this in recent years to a greater degree than ever before under special surplus disposal programs.

But these programs, which have sometimes been described as a fire-sale approach, do not sit well with other friendly wheat-producing nations. The United States has been accused of undercutting other nations in world markets, and this has been a principal source of irritation with Canada.

Just recently a joint Canadian-U.S. research committee came up with a report to the effect that U.S. wheat surplus disposal programs have harmed Canada and will continue to do so for some time to come. The authors said the United States had definitely captured wheat markets from Canada in Cuba, Brazil, Colombia, and Venezuela. The United States can sell cheaper abroad because its producers are subsidized, while Canadian wheat men produce largely for the world market price.

The research committee is gloomy about the future, predicting that the excessive world carryover of wheat is going to be greater than ever. Its figures at the beginning of the 1957-58 marketing year said Canada and the United States had enough wheat on hand to supply their own needs, plus three-fourths of the entire world trade for 2 years.

We assume that what is meant by world trade is limited to that which moves normally in commercial trade channels without relationship to actual need in underdeveloped countries. Nobody that we know of has come up with figures showing what dent would be made in the world surplus if the needs of hungry people could be met.

Recently a new wheat utilization committee was formed in Washington, with representatives from five wheat-producing countries, the United States, Canada, Argentina, Australia, and France, as the result of a food-for-peace conference, to study future wheat disposal plans. Such a conference had been proposed earlier by President Eisenhower to study ways of channeling surplus grains to needy nations.

Press reports indicated the conference showed greater concern over the protection and expansion of commercial markets than over finding ways to feed the hungry.

Still some positive steps were taken toward the latter goal, including plans to improve emergency wheat distribution by establishing stockpiles around the world and to develop a feeding system for classrooms and refugee camps. Representatives of the five nations agreed also to discuss plans for the acceptance of payments in the so-called soft currencies.

To put wheat products into hungry mouths makes more sense than to continue paying enormous storage costs for wheat we don't know what to do with. An international approach is necessary to accomplish this goal. Let us hope plans initiated at the five-nation conference will be vigorously carried forward.

#### CLARIFICATION AT GENEVA—NEW SECRETARY OF STATE HERTER DOES WELL

Mr. JAVITS. Mr. President, while the debate among military experts may be as to whether U.S. armament for war is superior to that of the Soviets, there is no doubt that American armament for peace is by far the better. The West has come to Geneva with a sincere and workable plan for reunifying Germany and promoting the peace; our side is willing to compromise on some of the details but we have made clear the goal we seek and our determination to achieve it through negotiation; we have equally made clear that we will not turn to appeasement. The Soviets on their part remain intransigent; they cling stubbornly to their old policies of relentless pressure, a policy which leads only to future Berlin crises, to future Quemoy-Matsu incidents, to future stresses.

Will Rogers, more than three decades ago, observed that the United States has never lost a war nor ever won a peace conference. Times have changed. The next war, which could be a nuclear conflict, can in effect be won by neither side—its end result would be near universal devastation, the experts say.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Clarification at Geneva," published in the New York Times of May 21, 1959. The editorial analyzes well the U.S. position at Geneva.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 21, 1959]

#### CLARIFICATION AT GENEVA

The Geneva Conference of Foreign Ministers has already produced one important result: It has brought about a necessary and enlightening clarification of both the aggressive and dictatorial Soviet designs and the real significance of the Western peace plan. The clarification is an essential first step toward a true appraisal of the situa-



tion, and it should dispel a lot of muddled Western thinking that has been playing into Soviet hands.

As expounded by the Western Foreign Ministers, they have come to Geneva with the high purpose of engaging in serious and meaningful negotiations not only to cope with the Berlin crisis precipitated by the Soviets but also to pave the way to a just and lasting peace. To that end they have agreed on a peace plan which, as Secretary Herter emphasizes, is hailed throughout the world. It has ended the Western practice of merely responding to Soviet challenges and has not only given the West the initiative but has also put the Soviets on the defensive.

Furthermore, in a direct indictment of the Versailles Treaty that ended the First World War, this plan renounces peace by dictation and discrimination against whole nations and envisages instead a peace based on consent. Such a peace calls first of all, as the "key to everything," for German reunification under a freely elected all-German Government able to sign a peace pact freely negotiated. The Western powers have again solemnly pledged their support to it and Premier Khrushchev's assertion that "nobody wants German reunification" can henceforth be echoed in the West only by accusing the Western powers of perpetrating a cruel hoax on the world.

Finally, the plan proposes a system of European security and armament control to meet professed Soviet concern and assure the peace and safety of both East and West Europe, including Soviet Russia and Germany, under mutual obligations freely negotiated and therefore acceptable in the common interest.

In contrast, the Soviets, far from merely seeking Western recognition of the status quo, evil and dangerous as it is, really propose to change it in order to win a new basis for Russia's century-long expansion to the west. To that purpose they are trying to impose not only on Germany but on the whole West, and by a victor's "diktat" backed by rocket threats, a so-called German peace treaty which would definitely dismember and neutralize Germany, take West Germany out of NATO and not only render it defenseless against the East to the detriment of Western defenses but also force American and British withdrawal from the European continent, leaving it to Soviet mercies.

The Soviets already proclaim the annexation of Greater Berlin to their East German puppet state, and give the West the alternative of either withdrawing its forces from West Berlin or admitting Soviet troops to it, a third proposition of the United Nations forces in West Berlin being ruled out by Secretary General Hammarskjöld himself.

Finally the Soviets pay lip service to German reunification by the will of the German people and by free elections. But they prevent the German people from expressing that will and present as spokesmen for the East Germans Soviet citizens and commissars who in German eyes are renegades and traitors ready to Sovietize all Germany.

Unless the Soviets abandon these aims, the prospects at Geneva are dark indeed.

#### DETERIORATION OF GETTYSBURG NATIONAL SHRINE

Mr. YOUNG of North Dakota. Mr. President, Jess Gorkin, editor of Parade magazine, has done all of us a service by writing an open letter to the Members of the Senate concerning the Gettysburg Battlefield. The letter was published in Parade magazine for May 17, 1959.

I feel as much ashamed of the condition into which this national shrine has fallen as Mr. Gorkin does. By arousing millions of readers to the situation at Gettysburg, Mr. Gorkin has made it mandatory for Congress to take action. We should preserve our shrines in the best possible condition. By doing so, future generations can see Gettysburg as a beautiful memorial.

I ask unanimous consent that Mr. Gorkin's open letter to the Senate be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IT'S NOT TOO LATE TO SAVE GETTYSBURG  
THE MEMBERS OF THE U.S. SENATE,  
Senate Office Building  
Washington, D.C.

Gentlemen: The battle of Gettysburg and the memory of the men who fell here moved Abraham Lincoln in 1863 to deliver a simple, eloquent address that continues to stir men's souls. In it Lincoln spoke with feeling of the brave men who had consecrated the battleground with their blood. He described it as "fitting and proper" that the Nation dedicate a portion of the field to their memory.

Now that shrine is in danger. Last December 14, Parade described the march of commercialism across the slopes where 160,000 Confederate and Union troops fought the Civil War's bloodiest battle. Thus began a new battle of Gettysburg, which President Eisenhower, whose farm overlooks the battlefield, and his Congressman, JAMES M. QUIGLEY, Democrat of Pennsylvania, carried to the committees of Congress. They sought \$750,000 to buy land within Gettysburg National Military Park before private owners could exploit it. But the House Appropriations Committee denied them the money.

Now it is up to you in the Senate. And for each day lost, a part of our heritage is lost. Next year, or the year after, may be too late to save Gettysburg.

I wish I could guide you over these historic acres. I would point out a rusting auto that marks the spot where Gen. George Meade, the Union commander, set up his field headquarters. You would see a free museum and souvenir shop near the scene of the first fighting. Another souvenir stand and gas station stand near the place General Barksdale was killed at the head of his Mississippians. The left flank of Confederate artillery was dug in where the Sweet Kiss shop now stands.

Or you can follow the route of Pickett's historic charge: across an auto junkyard, past a new motel on the left flank, beyond plots for a housing subdivision. Finally, you should pause at the cemetery where Lincoln spoke his memorable words. Within 100 yards of this hallowed resting place may rise an industrial plant for the land is owned by a large steel corporation.

The memory that inspired Lincoln's stirring words must be worth more to America than the \$750,000 needed to stop the advance of commercialism. How will you vote, gentlemen of the Senate?

Respectfully yours,

JESS GORKIN,  
Editor, Parade.

#### PROPOSED ABOLITION OF CAPITAL PUNISHMENT IN DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, the Judicial Conference of the District of Columbia Circuit today adopted a resolution recommending that mandatory capital punishment be abolished in the

District of Columbia. The resolution was adopted by an overwhelming vote of 89 to 8, following the submission of a report on the subject by a special committee appointed to study the problem. The special committee consisted of a cross-section of eminent lawyers who have practiced on both sides of criminal cases. Only 1 of the 30 members of the committee dissented from its report.

This action represents a great forward step in the continuing process of bringing up to date the criminal laws of the Nation's Capital. The present mandatory death statute in the District of Columbia for first degree murder cases is unique. No other State in the Union has such a harsh inflexible provision. New York State, for instance, years ago abandoned the mandatory death sentence.

Such rigid justice is self-defeating. It does not protect the public because it often leads to acquittal of the guilty to avoid the death penalty. At the same time it can lead to an indefensible meeting out of the ultimate penalty without regard to the particular facts and circumstances in a given case. The ends of justice are not served by any such mechanical formula for punishment.

Mr. President, I have today requested the legislative counsel to draft a bill to remove this archaic requirement from the District of Columbia Code. I shall present the proposed legislation to Congress in the very near future. I am hopeful that Congress will be spurred by the recommendations of the judicial conference to quick action on this measure.

#### MUTUAL SECURITY PROGRAM— STATEMENT BY AMERICAN FARM BUREAU FEDERATION

Mr. DWORSHAK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by the American Farm Bureau Federation with regard to the mutual security program. The statement was presented to the Committee on Foreign Relations on May 22, 1959, by John C. Lynn, legislative director, and Herbert E. Harris II, assistant legislative director, of the Federation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE WITH REGARD TO THE MUTUAL SECURITY PROGRAM PRESENTED BY JOHN C. LYNN, LEGISLATIVE DIRECTOR AND HERBERT E. HARRIS II, ASSISTANT LEGISLATIVE DIRECTOR, MAY 22, 1959

The American Farm Bureau Federation appreciates this opportunity to present its views with regard to several aspects of the mutual security program.

Farm Bureau supports in principle the mutual security program; however, we believe substantial savings can be made in the \$3,930 million requested by the administration without impairing the effectiveness of the program. The proposed savings we recommend in the mutual security program will still provide authorizations at about the level of the appropriations made by the Congress for this year.

We recognize the need for sound fiscal policy and a balanced budget, and will continue to make recommendations for appropriations









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

Issued May 26, 1959  
For actions of May 25, 1959  
86th-1st, No. 84

## CONTENTS

Agricultural sciences.....	3
Alaska.....	15,18
Appropriations.2,3,4,16,19	
ASC committees.....	15
Centennial celebration..	17
Committee assignments...	11
Committee reports.....	13
Conservation reserve....	15
Contracts.....	5,15
Credit unions.....	9,27
Disaster relief.....	12
Education.....	15,22
Employment.....	2
Export control.....	14
FAO.....	3
Farm program.....	10,21
Farm state.....	25
Federal aid.....	32
Feed grains.....	6
Fish and wildlife.....	15
Food for peace.....	30
Foreign affairs.....	22
Forestry.....	15
Holidays.....	7

Imports.....	24
Inflation.....	26
International organizations.....	3
Labeling.....	29
Lands.....	33
Legislative program....	16
Milk and cream.....	15
Organization.....	2
Personnel.....	7,31
Price supports.....	6
Property.....	15
Renegotiation.....	16
Retirement.....	31
River development.....	23
Rural development.....	20
School aid.....	15
School lunch.....	19
Sugar.....	3,15
Surplus commodities....	30
Timber.....	15
Transportation.....	28
Water pollution.....	8
Wheat.....	1,3,10,21

HIGHLIGHTS: See page 5.

## HOUSE

1. WHEAT. The Agriculture Committee reported with amendments H. R. 7246, to revise acreage allotments and price supports for wheat (H. Rept. 384). pp. 8139, 8087
2. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL FOR 1960. Began and concluded debate on this bill, H. R. 7176 (pp. 8096-8112). The vote on passage of the bill was postponed until Wed., May 27 (p. 8112).  
Rejected, 15 to 26, an amendment by Rep. Gross to strike out an item of \$57,500 for the President's Advisory Committee on Government Organization (p. 8104).  
Rejected, 19 to 57, an amendment by Rep. O'Hara to permit agencies to use appropriated funds to employ any aliens lawfully admitted to the U. S. for permanent residence. (p. 8111)
3. STATE-JUSTICE APPROPRIATION BILL FOR 1960. Began debate on this bill, H. R. 7343 pp. 8112-28  
Rejected an amendment by Rep. Gross to reduce from \$48,033,000 to \$30,033,000 the appropriation for contributions to international organizations. p. 8123  
As reported (see Digest 82), this bill includes \$2,997,489 for the Food and Agriculture Organization and also funds for the Inter-American Institute of Agricultural Sciences, International Sugar Council, and International Wheat

Council. The committee report includes the following statement:

"The Committee again expresses its concern over the ever increasing budgets of the International Organizations. Our representatives to these organizations should make every effort to prevent these large increases in budgets, and should exercise strong leadership in weeding our marginal activities by keeping the organizations oriented to the primary objectives for which they were created.

"Every effort should be made to use foreign credits rather than American dollars wherever possible."

4. COMMERCE APPROPRIATION BILL FOR 1960. The Appropriations Committee reported without amendment this bill, H. R. 7349 (H. Rept. 377). p. 8139
5. CONTRACTS. The Rules Committee reported a resolution for consideration of H. R. 7086, to extend the Renegotiation Act of 1951 for 4 years, until June 30, 1963. p. 8139
6. FEED GRAINS. The "Daily Digest" states that the Rules Committee "Completed hearings but took no action on the granting of a rule on H. R. 5432, re adjustment of price supports for feed grains. Witnesses heard were Representatives Poage and Hoeven." p. D393
7. PERSONNEL. The "Daily Digest" states that the Rules Committee "Completed hearing but took no action on the granting of a rule on H. R. 5752, re observance of legal holidays by Federal employees" which occur on Sat. pp. D393-4
8. WATER POLLUTION. The Rules Committee reported a resolution for consideration of H. R. 3610, to amend the Federal Water Pollution Control Act so as to increase grants for construction of sewage treatment works and to establish an Office of Water Pollution Control. p. D393
9. CREDIT UNIONS. A subcommittee of the Banking and Currency Committee voted to report with amendment H. R. 5777, to amend the Federal Credit Union Act. p. D393
10. FARM PROGRAM. Rep. Hoffman discussed the case of Stanley Yankus, who sold his farm and moved to Australia allegedly because of penalties assessed against him for exceeding his wheat acreage allotments, stated that "It is an acknowledged fact that the program has failed," and inserted an editorial, "Controlling Farm Prices Leads to Controlling Farmers." p. 8118
11. COMMITTEE ASSIGNMENTS. Agreed to a resolution electing Rep. Robert W. Levering a member of the Agriculture Committee, and Rep. James C. Oliver a member of the Post Office and Civil Service Committee. p. 8087
12. DISASTER RELIEF. Received from the President a report of activity under authority of Public Law 875, 81st Congress, which authorizes Federal aid to State and local governments in major disasters (H. Doc. 157). p. 8095
13. COMMITTEE REPORTS. The Rules Committee was granted permission until midnight, May 25, "to file certain reports." p. 8112
14. EXPORT CONTROL. Received from the Commerce Department a quarterly report "as required under the Export Control Act of 1949." p. 8138



## WHEAT PROGRAM FOR 1960 AND 1961

MAY 25, 1959.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany H.R. 7246]

The Committee on Agriculture, to whom was referred the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 10, strike out "30" and insert "25".

Page 2, line 14, strike out "344" and insert "334".

Page 3, line 10, after the word "if" insert "marketing quotas for the particular crop are in effect and".

Page 3, line 13, strike out "30" and insert "25".

Page 3, line 14, strike out "344" and insert "334".

Page 4, line 20, strike out "30" and insert "25".

Page 4, line 21, strike out "344(c)" and insert "334(c)(2)".

Page 9, line 10, strike out "30" and insert "25".

### SHORT EXPLANATION

This bill, which applies only to the 1960 and 1961 crops of wheat, would reduce the production of wheat during the 2 years by approximately 480 million bushels; it would lower the costs of the wheat program during this period by an estimated \$528 million, and would protect wheat growers from undue hardships while their production is being harshly reduced. Major provisions of the bill include:

1. Each farm acreage allotment of wheat, under the 55 million national allotment, would be reduced 25 percent in 1960 and 1961. This land in the 25 percent reduction would not be eligible for the soil bank or for planting to any crop subject to price support under the Agricultural Act of 1949.

2. Producers who grow no crops on and do not graze the land in the 25 percent reduction would be eligible to receive payments in kind (wheat) equivalent to one-third of the average annual production of the retired acres during the preceding 3 years.

3. The support price would be at 90 percent of parity in 1960 and 1961.

4. All growers, cooperators and noncooperators, would be eligible for price support at 50 percent of parity, if marketing quotas are disapproved by more than one-third of the growers voting in referendums.

5. The 15-acre exemption would be reduced to the smaller of 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and the 200-bushel exemption would be repealed.

6. The 30-acre ceiling on the wheat-for-feed exemption would be removed, and there would be no limit on production for on-the-farm use.

7. For the 2 years this program is in effect it would increase the present penalty for overplanting from 45 percent of parity to 65 percent, and the penalty computations would be based on double the normal yield or the actual yield, whichever is lower.

8. If marketing quotas are disapproved, the Commodity Credit Corporation could not release wheat from its holdings at less than 75 percent of parity, plus 5 percent, plus carrying charges.

9. Voting eligibility for marketing quota referendums would be based on the previous year's planting record rather than on the announced intention of planting for the coming year.

10. Acreage histories for the 2-year life of this program would be automatically preserved.

At the end of the 2 years, the wheat program would revert to the program provided under present law, unless the Congress takes further action before the 1962 crop is planted.

#### STATEMENT

Wheat is the Nation's No. 1 farm problem.

This problem, in the form of great unused stores of wheat, has not developed from lack of farmer cooperation with the Government in production adjustments. It is directly attributable to—

1. The failure of the administration to work with the Congress for sound improvements in the wheat program to meet the requirements and necessities created by advances in production sciences which have vastly increased the per-acre yield of wheat in recent years, and

2. The preoccupation of the administration in cutting down the growers' prices when, instead, the major emphasis of Government should have been concentrated on the use of the broad powers bestowed by the Congress to move our abundant supplies of food into consumption in the United States and to friendly peoples throughout the world.

As an example of our failure to develop world markets, this committee directs the attention of the House to the fact that American exports of wheat since 1953 have declined in comparison with the previous 6 years, while Russia's exports, although still small by comparison, have increased by 500 percent in the last 2 years. Moreover, Russia's wheat production now again has surpassed the U.S. production.



Furthermore, the committee respectfully brings forward these statistics from Department of Agriculture records:

During the last 6 years, 1953 to 1958, inclusive, American farmers have produced less, not more, wheat than in the previous 6 years. The 1947 to 1952, inclusive production amounted to 7,065 million bushels, whereas in the last 6 years the output has totaled 6,509 million bushels.

At the end of the 1952 marketing year the total supply of wheat from this larger production was 1,443 million bushels—only 256 million bushels more than we actually used in the following year. At the end of the 1958 marketing year, by contrast, the total supply from the smaller production of the 6 years 1953–58, was 2,343 million bushels—approximately twice a normal year's consumption. It is clear, therefore, that the responsibility for the wheat surplus lies not primarily with the farmers but with the Department of Agriculture.

During the last 6 years, while the Secretary of Agriculture has been steadily reducing the price supports for farmers, domestic use of wheat has declined to 3,640 million bushels, from the total of 4,165 million bushels consumed in the previous 6 years.

And, during these last 6 years, our exports of wheat declined to 2,240 million bushels, compared with a total of 2,448 million bushels exported in the prior 6 years.

World movement of wheat in 1947 to 1952, inclusive, amounted to 5,745 million bushels and 43 percent of the total was American wheat; in the 1953–58 period, exports of wheat by all countries amounted to 6,646 million bushels, and our share of the world movement of this food grain declined to 34 percent.

The decrease in our share of the world's market has occurred despite the fact that in 1954 the Congress gave to the Secretary of Agriculture virtually unlimited, and unprecedented authority, (a) to deliver wheat abroad for the currency of the countries receiving the wheat; (b) to barter wheat for strategic materials needed in our own country; and (c) to donate wheat to friendly and needy peoples in other nations.

Notwithstanding this authority our exports have lagged, while Russia has gained a larger share of the world wheat market.

#### THE ADMINISTRATION POSITION

In a special message to the Congress on May 13, calling for immediate action on special wheat legislation, the President said:

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program.

The President previously, in his farm message of January 19, urged that growers, even in the face of the great supplies on hand, be given unlimited opportunities to produce wheat, and that their price support be slashed even below the 75 percent of parity level now prevailing.

Where the President refers to the "mounting failures and staggering excesses" of the farm program it is incumbent upon this committee to point out to the House that the program for the basic crops, under the Commodity Credit Corporation, operated for 20 years prior to 1953, at an actual profit to the Government, of \$13 million, that during

11 consecutive years 1942 to 1952, inclusive, the average price level of all of agriculture was at or above 100 percent of parity, and at the end of the 20-year period the Government had investments in farm commodities, including basic and nonbasic crops, amounting to only \$2,452 million; whereas, during the last 6 years the CCC net profit on the basic crops has changed to a net loss of \$2,500 million, net farm income has been almost \$20 billion less than in the previous 6 years, and Government investments in commodities have risen to \$9 billion.

This is a record of administrative failure it would be difficult to match. This is a failure which cannot be dismissed by claims that the 6 earlier years, 1947-52, were profitable to farmers, with very small farm program expense to our Government, because food demands were abnormal during the postwar years and during the Korean conflict. The food requirements in our own country and the opportunities for exports of food have been greater in the most recent 6 years than in any similar period of history.

The present Secretary of Agriculture has had more authority to deal with the problems of farmers than any of his predecessors. He has had more money at this disposal and has spent more money than any other Secretary. He has more employees in the Department than any Secretary before him.

The farm program, as fundamentally constructed by the Congress, did not fail. When it needed adjustment to fit the changing conditions in agriculture, this program, instead, was administered in a manner to discredit it. And the nearer the program has been brought to the low-support, free-production philosophy of the Secretary, the more severe has been the decline in farm income, and the greater the costs to the Government.

#### H.R. 7246

H.R. 7246 proposes to deal effectively with the production phase of the wheat problem in a 2-year emergency program.

It meets the two primary objectives for such a program as set forth by the President: (1) to bring down the current burdensome stores of wheat held by the Government, and (2) to effectuate savings in costs to the Government and to taxpayers.

The committee has included a third objective. This is to protect wheatgrowers against a ruinous drop in their income while they drastically reduce their production.

In his message to the Congress on January 19, the President said the accelerated buildup of stocks of wheat now is estimated to reach 1.5 billion bushels as of July 1, 1960, with an investment of the Federal Government totaling \$3.5 billion.

He made specific recommendations for alternative approaches to the problem.

The President, as heretofore mentioned, said the preferable approach would be "to give wheatgrowers a program that would permit them freedom to produce and compete for markets"; that price supports for wheat be based on a percentage of the average market price for the immediately preceding years or that the Secretary have the power to set the support at any level he chose; that acreage allotments and marketing quotas be eliminated "as soon as price supports are adjusted to feed-use relationships"; and that the conservation reserve program be adjusted to aid temporarily in the transition.



The President listed the alternative as "the control route," and he said if it is chosen "it is essential that the loopholes be closed and effective actions be taken to bring production down until stocks are reduced to desirable levels." He said that the control route "might have merit for an emergency adjustment period."

#### THE COMMITTEE POSITION

The committee is unwilling to tell farmers they must go the "no control" route, most preferred by the President, because it knows that without the opportunity to adjust production to markets, as now provided in the basic farm law, growers would bury themselves beneath an abundance of wheat and would produce themselves into bankruptcy. Feed-livestock producers as well as wheat producers would be badly hurt.

Moreover, the committee refuses to follow the President in his recommendation that we abandon the parity principle for agriculture, in favor of price supports based upon a percentage of market prices in past years. The parity principle is the only means in the law by which farm prices may be measured in fair relationship with prices in the rest of the economy. The Nation accepts this principle as sound and just, and this committee is unwilling to return agriculture to a standard of income based solely on market quotations where the farmer, unlike any other producer in America, has no voice whatever in the price of what he sells.

However, in proposing this legislation, the committee has followed other fundamental recommendations of the President for "the control route." The bill calls for a sharp reduction in production, as advised by the President for a control program. It "closes loopholes" as suggested by the President, by increasing penalties on overproduction by individual growers. It does not eliminate the 15-acre exemption, as the President proposes, but the bill deals equitably with the 15-acre wheat farmer, while reducing the number of exempted acres.

The bill actually gives growers the opportunity to discard controls, if this is what they desire. It stipulates that if fewer than two-thirds approve marketing quotas under the 2-year emergency program, the support level will drop to 50 percent of parity and farmers will be free to produce as much wheat as they choose, without penalty.

The bill, in presenting the emergency program, departs most directly from the President's recommendations by its provisions which seek to maintain a reasonable income, through an adequate price for wheat growers while they are so severely cutting down their acreage.

#### THE FARMERS

Although the surplus problem which this legislation seeks to remedy has developed through no fault of the farmers, nevertheless the farmer is the victim.

When this Nation was catapulted into World War II in 1941, our farmers were called upon to produce to their utmost. Wheat farmers, as did all farmers, responded with a tremendous outpouring of food, to serve the needs not only of America but also of our allies in many areas of the world.

In the postwar era a large part of the world was destitute and our farms fed the people. The Korean conflict, with the worldwide threat of communism, called for a new surge of production, and our farmers again responded to the appeals of their Government.

Food and fiber output attained a rate more than 40 percent above prewar levels. Wheat production was virtually doubled between 1940 and 1948.

It is reasonable to say that, except for the energy and enterprise of American farmers, large areas of the world would not be democratic today. Our friends throughout the world would be fewer, and countries now proud associates in the free world might now be behind the Iron Curtain.

Such has been the contribution of our farmers.

In recent years, as the use of American wheat has diminished, it has become necessary to reduce our production. Our wheatgrowers have accepted controls by overwhelming votes in referendums, in programs to hold down their output. They have reduced the acres planted to wheat from 83,905,000 in 1949-50 to 55,988,000 in 1958-59.

But during the years when the Government was calling for all-out production great advances were made in the science of wheat production, and there recently has been a phenomenal increase in the yield per acre.

This condition required an adjustment of the farm law, to comprehend the great increase in yields. Wheatgrowers during the last 6 years have realized the need for adjustment. They have proposed legislation to deal with their problem. The Congress passed this legislation but it was vetoed in 1956. Since that time the Secretary of Agriculture has consistently opposed proposals put forward by the growers to cope with the growing surplus of wheat, and the Congress has constantly worked in the shadow of the veto power of the President, as it has sought to adjust the wheat program to the needs and necessities of the times.

In any action upon wheat legislation the House must take into account the earning position of wheatgrowers.

There now are 1,705,000 wheat allotments, and the average farm allotment throughout the country is only 32½ acres. With normal production these acres would yield an average of 766 bushels which, at the current support price of \$1.81 per bushel, would be worth \$1,386. In the principal wheat State, Kansas, the average allotment is 77½ acres. In that State the normal yield for 77½ acres is computed at 1,767 bushels, for a total value of \$3,198 at the current support level. The \$1,386 for the average national allotment and \$3,198 for the average Kansas allotment represent *gross income*, from which the farmer must deduct his production costs to compute his profit.

#### THE CONSUMER

This legislation, while reducing the Government cost of the wheat program, and minimizing income losses to producers, will have little, if any, effect upon retail prices of bread and other cereal products.

The Secretary of Agriculture's own staff, in USDA Miscellaneous Publication 712, "Marketing Margins for White Bread," just issued, says: "Farmers prices don't govern bread prices."



In this report they show that from 1948 to 1958 the cost of wheat and other ingredients in a loaf of bread declined 12 percent at the farm, while processing and marketing margins increased 55 percent. Thus, in the 10-year period, the cost of a loaf of white bread has increased from 13.9 cents to 19.3 cents, on a national average, or 39 percent, while the price of a bushel of wheat declined from \$1.98 to \$1.72, or 13 percent.

The price of wheat in a 1-pound loaf of bread is only 2½ cents. This standard loaf now is selling at 20 cents or more in many stores.

H.R. 7246, by raising the minimum price support level for wheat, would add only a fraction of a cent to the value of wheat in a 1-pound loaf. No increase in bread prices can be justified on the basis of this small increase in raw material costs, especially in view of the fact that this represents only a partial return to past wheat price relationships when bread prices were much lower.

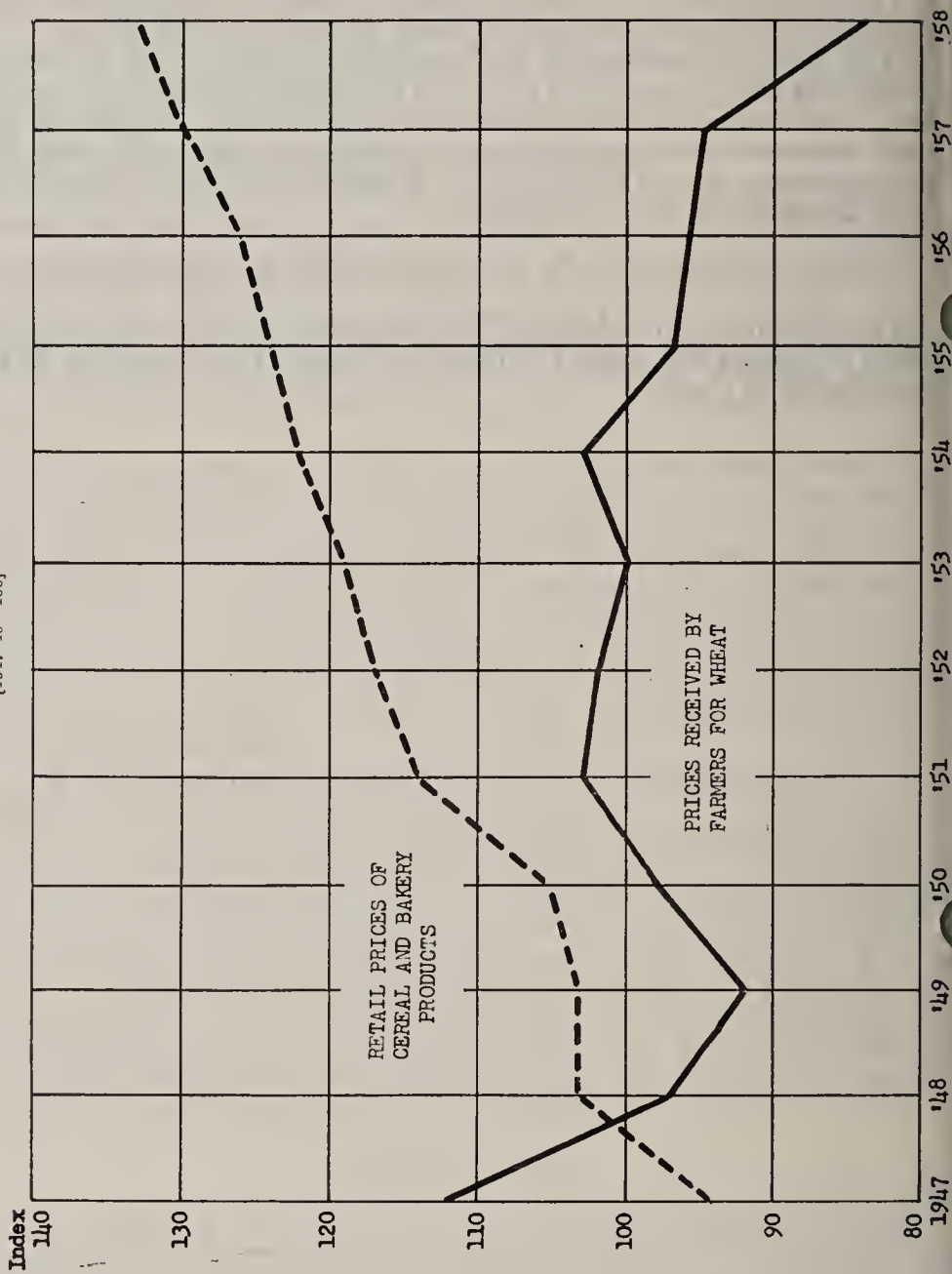
#### FARM AND RETAIL PRICE OF CEREALS AND BAKERY PRODUCTS

The great divergence between the farm price of wheat and the retail prices of cereals and bakery products in recent years is shown in the accompanying chart.



## FARM AND RETAIL PRICE OF CEREALS AND BAKERY PRODUCTS, 1947 TO DATE

[1947-49 = 100]





*Average prices received by farmers for wheat, and retail prices of cereals and bakery products, 1947 to date*

Date	Average prices received by farmers for wheat	Retail prices of cereals and bakery products	Date	Average prices received by farmers for wheat	Retail prices of cereals and bakery products
1947.....	112	94	1953.....	100	119
1948.....	97	103	1954.....	103	122
1949.....	92	103	1955.....	97	124
1950.....	98	105	1956.....	96	126
1951.....	103	114	1957.....	95	130
1952.....	102	117	1958.....	84	133

Source: Agricultural Marketing Service and Bureau of Labor Statistics.

When city families purchase bread or prepared cereal products, they pay mostly for processing, packaging, and distributing the product; very little goes to the farmer for the raw materials. For example, there is only 3.1 cents worth of farm-produced corn in a 26-cent package of corn flakes and only 3.7 cents worth of wheat in a 29-cent package of soda crackers. The pound loaf of bread that sold at retail for an average price of 19.3 cents in 1958 contained wheat having a farm value of 2.4 cents. The farm value and retail cost of several cereal products in 1947-49 and 1958 is shown below:

[In cents]

	Farm value		Retail cost	
	1947-49	1958	1947-49	1958
Bread, 1-pound loaf.....	2.7	2.4	13.5	19.3
Soda crackers, 1 pound.....	4.3	3.7	24.7	29.2
Corn flakes, 12 ounces.....	3.2	3.1	17.1	25.4
Rolled oats, 20 ounces.....	4.9	3.6	14.5	20.3

*The Agricultural Marketing Service estimates that the farm value of all ingredients used in the bakery products consumed by the average family declined 23 percent from 1947-49 to 1958, and the retail cost increased 32 percent.*

#### ANALYSIS OF THE BILL

*Section 1. Price supports; use of diverted acreage; payment in kind; support if marketing quotas are disapproved.*—This section adds to the Agricultural Act of 1949 a new section which establishes price support for the 1960 and 1961 crops of wheat. The support price for these two crops is established at 90 percent of parity. Eligibility for price support at this level, however, is tied in with the 25-percent reduction in acreage provided in section 4 of the bill.

In order to be eligible for price support at 90 percent of parity, the producer must not only comply with his reduced acreage allotment, but may not use the acreage diverted from his wheat allotment for any other price supported crop.

To compensate for this restriction on the use of diverted acres (which does not apply to any other crop) producers may qualify for a

payment in kind for each of the 1960 and 1961 crop years by not planting on their diverted wheat acreage any crop for harvest in the applicable year nor permitting the land to be grazed. In the event a producer complies with this provision, he will be entitled to receive a negotiable certificate calling for payment in wheat equal to one-third of the average annual production on the diverted acreage for the immediately preceding 3 years, adjusted for abnormal weather conditions. The wheat the producer receives may be used for any purpose, including normal marketing, except that it shall not be eligible for price support. The payment in kind will be made by the issuance of a negotiable certificate having a value equal to the number of bushels to which the farmer is entitled multiplied by the basic county support rate per bushel for No. 1 wheat. The certificate may be exchanged for an equivalent bushelage of CCC wheat at the current market price. The certificate may be sold by the producer but it may be used by any subsequent purchaser only for the procurement of CCC wheat. It will not be redeemed in cash by CCC.

Land which has been diverted from wheat production under the provisions of this section may not be placed in the conservation reserve during the year in which it is diverted.

In the event marketing quotas are disapproved on either the 1960 or 1961 crops of wheat, the bill requires that price support shall be made available to cooperators and noncooperators alike at 50 percent of parity. In order that CCC stocks of wheat would not be dumped on the open market at slightly above the 50 percent support figure, thus demoralizing markets for both wheat and feed grains, the bill provides that if support is at the 50 percent level, CCC sales policies shall be carried out as though the support price for wheat were 75 percent of parity. This means that CCC could not sell wheat for domestic commercial use at less than 75 percent of parity plus 5 percent, plus carrying charges.

*Section 2(a). Farm marketing quotas; farm marketing excess; definition of planted acreage.*—This section amends with respect to the 1960 and 1961 crops of wheat only, the provisions relating to calculation of the production of wheat in excess of the farm marketing quota where a producer overplants his acreage allotment. Under the present provisions of law, where a producer overplants his acreage allotment, the "farm marketing excess" is the normal production on the excess acreage or the amount by which the actual production on the farm exceeds the normal production of the farm acreage allotment. In areas where actual yields of wheat are above the average figures regarded as normal for the farm, it has been possible for some producers to overplant their acreage and be required to pay the penalty only on the normal production of the acreage in excess of their acreage allotment, even though this was substantially smaller than the actual yield. The major change made by this section is that, with respect to the 1960 and 1961 crops of wheat, the farm marketing excess will be computed on the basis of twice the normal yield on the acres planted in excess of the farm acreage allotment, or the actual yield from those excess acres, whichever is smaller. In most instances, of course, the actual yield will be less than twice the normal yield and the penalty will be assessed on this basis if the actual yield is proved to the satisfaction of the county committee.



The section also defines the acreage planted to wheat on a farm as "all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat," but not acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary. Under this definition, producers will still be able to plant wheat for winter cover and for grazing purposes without having it counted for acreage allotment and marketing quota purposes if it is plowed under or otherwise disposed of prior to harvest in accordance with regulations established by the Secretary. This revision is for clarification and reflects the administrative construction of the present law.

*Section 2(b). Penalty rate.*—This subsection increases the rate of penalty, with respect to the 1960 and 1961 crops of wheat, from 45 percent of parity to 65 percent of parity.

*Section 2(c). Disposition of farm marketing excess.*—This subsection is the companion to subsection (a) and merely makes those revisions in the law relating to handling and disposition of the farm marketing excess which are required by the amendments made in subsection (a). It does not change in any substantial regard the existing policies of the law and applies only to the 1960 and 1961 crops of wheat.

*Section 2(d). 15-acre exemption.*—This subsection amends, with respect to the 1960 and 1961 crops of wheat only, the provisions of law which permit any farmer (whether he has a wheat acreage allotment or not) to produce up to 15 acres of wheat without becoming subject to marketing quota penalties. The effect of this subsection, for the two crops indicated, is to reduce the exemption from 15 acres to 12 acres or the highest acreage planted to wheat on the farm for harvest in the years 1957, 1958, or 1959—whichever is smaller. Thus, a farmer with a wheat allotment of 8 acres who had been taking full advantage of the exemption to plant 15 acres, would be able to plant 12 acres in 1960 and 1961 without being subject to marketing quotas. If he had never planted as much as 15 acres of wheat but had planted, for example, 8 acres of winter wheat in 1956 for harvest in 1957, none for 1958, and 10 acres for 1959, he would be permitted to plant 10 acres for harvest in 1960 and 1961 without penalty. If he had planted 13 acres for harvest in 1959 (with an acreage allotment of 8 acres as indicated above) he would be permitted to plant 12 acres without penalty in 1960 and 1961 (the smaller of his highest acreage planted in the 3 designated years or 12 acres).

*Section 3. Technical amendment.*—This section suspends with respect to the 1960 and 1961 crops of wheat the provisions of item 12 of Public Law 74, 77th Congress, because these provisions are covered in subsection (a) of section 2 of this bill with respect to those two crops.

*Section 4(a). Reduction in farm acreage allotments.*—This subsection provides that each farm acreage allotment for wheat for the 1960 and 1961 crops will be reduced by 25 percent. This reduced allotment will become the official farm acreage allotment for each of these 2 crop years for all allotment and marketing quota purposes except the computation of the acreage to be diverted as provided in section 1 of the bill. Under the provisions of this subsection, each farm acreage allotment will be computed on the basis of a national acreage allotment of 55 million acres (the present provision of law) and each farm allotment will then individually be reduced by 25 percent in order to establish the official farm allotment for the crop.

*Section 4(b). Wheat acreage history.*—In 1958 (Public Law 85-366) Congress amended the wheat marketing quota laws to prevent wheat producers who overplant their acreage from receiving credit for the excess acreage for history purposes. The purpose of this amendment is to correct an inadvertent omission in that law and provide that a producer whose farm marketing excess is adjusted to zero because of underproduction will receive the same treatment as a producer who delivers to the Secretary or stores the farm marketing excess in accordance with applicable provisions of law.

*Section 4(c). Removal of acreage limitation on feed wheat provision.*—This subsection removes, with respect to the 1960 and 1961 crops of wheat only, the limitation of 30 acres on the amount of wheat which may be grown for feed, seed, and food use on a farm without subjecting the producer to marketing quota penalties. The present provisions of law provide that any producer may, upon application to the county committee produce up to 30 acres of wheat on his farm for use on the farm for feed, seed, and human food providing the entire crop is used for that purpose and none of it is sold or otherwise removed from the farm. This provision eliminates for the two crops 1960 and 1961 the 30-acre limitation and will permit the production of any acreage of wheat under the provisions of this exemption.

*Section 4(d). Eligibility to vote in referendum.*—This subsection makes a permanent change in the provision of law relating to eligibility of wheat producers to vote in the referendum on marketing quotas. Under the present provision of law, any farmer who will be subject to marketing quotas in the year with respect to which the referendum is being conducted is eligible to vote in that referendum. This provision has been difficult to administer and is being replaced in this subsection by the more logical provision that any farmer who was subject to wheat marketing quotas for the crop immediately preceding the holding of the referendum is eligible to vote.

*Section 5. Repeal of obsolete provisions.*—This section repeals immediately two obsolete provisions of law relating to marketing quotas which have been superseded for many years but have not heretofore been repealed. It also repeals, effective with the 1960 crop, the 200-bushel exemption from marketing quotas which was superseded in 1941 by the 15-acre exemption provision.

#### COMMITTEE AMENDMENTS

The only substantive amendment adopted by the committee is to change the required amount of reduction in wheat acreage for 1960 and 1961 from 30 percent below farm acreage allotments computed under present provisions of law to 25 percent. This amendment occurs basically in section 4(a) of the bill but required several conforming changes in other sections.

All other amendments are of a clerical or clarifying nature.



## CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## AGRICULTURAL ACT OF 1949

\* \* \* \* \*

## TITLE I—BASIC AGRICULTURAL COMMODITIES

\* \* \* \* \*

*SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 30 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344(c)(2) of the Agricultural Adjustment Act of 1938, as amended: Provided, however, That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the fore-*

going requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 30 per centum reduction in the farm acreage allotment required under section 344(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 30 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support shall be made available to cooperators and noncooperators at 50 per centum of parity: Provided, however, That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor.

ACT OF MAY 26, 1941 (Public Law 74, 77th Congress, as amended)— \* \* \* notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.



The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.

*In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:*

(1) *If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: Provided, however, That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary.*

(2) *During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.*

*Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended, the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.*

(3) *The farm marketing excess for corn and wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon the normal production of the excess acreage.*

Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any corn or wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

*In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:*

*(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.*

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon corn or wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal



production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat.

[(7) A farm marketing quota on corn or wheat shall not be applicable to any farm on which the acreage planted to the commodity is not in excess of fifteen acres. The marketing penalty on corn or wheat shall not be applicable to any farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of fifteen acres or the acreage allotment for the farm, whichever is larger. If the acreage of the commodity harvested on any such nonallotment farm is in excess of fifteen acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of fifteen acres or such acreage allotment, whichever is larger, shall be taken as the farm marketing excess and shall be subject to penalty: *Provided*, That there shall be no penalty on wheat harvested on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program: *Provided further*, That for the marketing year beginning in 1941, there shall be no marketing penalty on wheat with respect to any such nonallotment farm if the acreage of wheat harvested on the farm is not in excess of the usual acreage determined for the farm under the 1941 agricultural conservation program and the county committee determines, in accordance with regulations of the Secretary, that there will not be marketed an amount of wheat in excess of the 1941 farm marketing quota.]

(7) *A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: Provided, however, That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959.*

(8) Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

(9) (Not applicable to wheat.)

(10) (Applicable only through the 1946 crop.)

(11) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301(b)(6), 323(b), or 335(d) of the Act.

(12) Notwithstanding any of the foregoing provisions, the farm marketing excess for any crop of wheat for any farm shall not be larger than the amount by which the actual production of such crop of wheat on the farm exceeds the normal production of the farm wheat-acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary. Where a downward adjustment in the amount of the farm marketing excess is made pursuant to the provisions of this paragraph, the difference between the amount of the penalty or storage as computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

*Item (12) of Public Law 74, Seventy-seventh Congress, as amended, shall not be applicable with respect to the 1960 and 1961 crops of wheat.*

## AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

\* \* \* \* \*

### APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded



for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practice: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion, the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(c) (1) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(2) *Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 30 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable.*

[(d) (Repealed by Public Law 85-835, 72 Stat. 988, August 28, 1958.)]

(d) *For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty.*

(c) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than sixty acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the average of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.



For the purpose of applying section 103(a)(1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection 'wheat acreage on the farm' shall include acreage in the wheat acreage reserve.

(f) Any part of any 1955, 1956, or 1957 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat tillable acres, crop rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (c) of this section. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the three-year base period: *Provided*, That notwithstanding any other provisions of law, any part of any 1955, 1956, or 1957 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments.

(g) If the county committee determines that any producer is prevented from seeding wheat for harvest as grain in his usual planting season because of unfavorable weather conditions, and the operator of the farm notifies the county committee not later than December 1 in any area where only winter wheat is grown, or June 1 in the spring wheat area (including an area where both spring and winter wheat are grown), that he does not intend to seed his full wheat allotment for the crop year because of the unfavorable weather conditions, the entire farm wheat allotment for such year shall be regarded as wheat acreage for the purposes of establishing future State, county, and farm farm acreage allotments: *Provided*, That if any producer on a farm obtains a reduction in the storage amount of any previous crop of wheat by reason of underplanting the farm wheat acreage allotment pursuant to paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), or by reason of producing less than the normal production of the farm wheat acreage allotment pursuant to section 326(b) of this Act, this provision may not be made applicable to such farm with respect to the crop of wheat for which the farm acreage allotment was established.

(h) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tululake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

#### MARKETING QUOTAS

SEC. 335. (a) Whenever in any calendar year the Secretary determines—

(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for



the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity

the Secretary shall, not later than May 15 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

[(b) The amount of the national marketing quota for wheat shall be equal to a normal year's domestic consumption and exports plus 30 per centum thereof, less the sum of (1) the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.]

[(c) The farm marketing quota for any farm for any marketing year shall be a number of bushels of wheat equal to the sum of—

(1) A number of bushels equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

(2) A number of bushels equal to the amount, or part thereof, of wheat from any previous crop which the farmer has on hand which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the wheat actually marketed during such preceding marketing year, could have been marketed without penalty.

(3) Any farmer who does not market wheat in excess of the normal production or the actual production, whichever is the greater, of the farm acreage allotment shall not be subject to penalty under the provisions of section 339. Any farmer who stores, in accordance with regulations issued by the Secretary, an amount of wheat which is less than the amount subject to penalty, shall be presumed to have marketed the amount of such wheat subject to penalty which is not so stored.]

[(d) No farm marketing quota with respect to wheat shall be applicable in any marketing year to any farm on which the normal production of the acreage planted to wheat of the current crop is less than two hundred bushels.]

*(d) Repealed effective beginning with the 1960 crop of wheat.*

(e) If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register.

(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this Act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1958 or any subsequent year on the following conditions:

(1) That the total wheat acreage on the farm does not exceed 30 acres: *Provided, however,* That this condition shall not apply to farms operated by and as part of State or county institutions or religious or eleemosynary institutions[;] *and shall not apply to other farms with respect to the 1960 and 1961 crops;*

(2) That none of such crop of wheat is removed from such farm except to be processed for use as human food or livestock feed on such farm and none of such crop is sold or exchanged for goods or services;

(3) That such entire crop of wheat is used on such farm for seed, human food, or feed for livestock, including poultry, owned by any such producer, or a subsequent owner or operator of the farm; and

(4) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this Act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm and the estimated production from such excess acreage shall not be included in total supply and normal supply in the determination of future marketing quotas and level of price support. No producer exempted under this section shall be eligible to vote in the referendum under section 336 with respect to the next subsequent crop of wheat.

#### REFERENDUM

[SEC. 336. Between the date of the issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat.]

*SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be farmers who were engaged in in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is*



*held on a farm that was not exempted from farm marketing quotas on such crop of wheat under applicable provisions of law. Any acreage considered as being devoted to wheat in establishing future allotments under applicable provisions of law shall be considered as wheat-producing acreage for the purpose of determining eligibility to vote. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat.*

PUBLICATION AND NOTICE OF QUOTA

SEC. 362. All acreage allotments, and the farm marketing quotas established for farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. [An additional copy of this information shall be kept available in the office of the county agricultural extension agent or with the chairman of the local committee.] Notice of the farm marketing quota of his farm shall be mailed to the farmer. Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.

## MINORITY VIEWS

We oppose H.R. 7246 on the grounds that this shortsighted bill, which is \$110 million more expensive than the present program, is an unwise and ineffective attempt to reduce our tremendous wheat surplus. This bill calls for a return to rigid high supports for wheat which means a reversion to the very same program that created and aggravated the present critical problem.

### BACKGROUND

The Department of Agriculture estimates that our wheat carryover will rise to almost 1.5 billion bushels by June 30, 1960. This huge surplus is about three times greater than the annual U.S. consumption as food. By June 30 of next year the total CCC investment in wheat will be about \$3.5 billion. It is estimated that we are now spending approximately \$400 million in fiscal 1959 on storage, interest and transportation costs for wheat alone—over a million dollars a day. Unless something is done, we will spend over half a billion dollars on wheat storage, interest and transportation in fiscal 1960. During the fiscal years 1954–58, the net realized cost for wheat amounted to over \$2½ billion. This is about 30 percent of the cost for all commodities although wheat represents only 6 percent of cash receipts from sales of all agricultural products. If no change is made in the present program, these high costs and added surplus (at a rate of about 200 million bushels per year) can be expected to continue.

Under present law, if marketing quotas are approved in the national referendum, price support on wheat will be made available in 1960 to cooperators (i.e., those farmers who stay within their assigned acreage) at now more than 90 percent of parity nor less than 75 percent of parity, according to the relationship of the total supply of wheat to the normal supply. If producers turn down marketing quotas, the level of support drops to 50 percent of parity. In States outside the commercial wheat-producing areas, the level of support for cooperators is 75 percent of the level to cooperators in the commercial area. The current level of support in the commercial area is 75 percent of the July 1, 1958, parity or \$1.81 per bushel. Next year it will be about \$1.78 per bushel. The minimum national acreage allotment is established at 55 million acres under the Agricultural Adjustment Act of 1938, as amended. There are two exemptions in the present law. The first is a marketing quota exemption of 15 acres and the second is a wheat-for-feed exemption of 30 acres. The penalty for overplanting is based on the normal yield of the farm marketing excess times 45 percent of parity.

### SUMMARY OF PRINCIPAL PROVISIONS

H.R. 7246 contains a temporary wheat program, since it is applicable only to two wheat crops, the 1960 and 1961 crops. At the end of the 2-year period the program would revert to the present program.



Under the bill farmers would be given a 90 percent of parity support level and each individual's share of the 55-million-acre minimum allotment would be reduced by 25 percent. In addition, the bill would also make these additional major changes in existing legislation:

(1) Only farms with wheat acreage of the smaller of 12 acres or the highest number of acres planted to wheat for harvest in 1957, 1958, or 1959 would be exempt from marketing quotas. (2) The 30-acre limitation on the feed wheat exemption permitting a farmer to harvest up to 30 acres would be eliminated. (3) The marketing quota penalty rate would be raised to 65 percent of parity and be based on actual production on excess acres instead of the present marketing quotas excess concept using normal production. Until the actual production figure is established, the penalty would be based on twice the normal yield on the excess acres. (4) The minimum sales price for unrestricted sales of wheat from CCC stocks would be continued at 105 percent of the 90 percent of parity support level plus reasonable carrying charges. (5) Payments-in-kind, equal to one-third of average yields per acre, would be made from Government stores of wheat to those growers who agree not to harvest any crop, or to use for pasture, the land taken out of wheat production. Only those farmers who completely idled their reduced wheat would receive payments-in-kind. The bill still would deny wheat price supports to any farmer who increased his plantings to other price-supported crops while cutting back his wheat acreage. The land diverted from wheat would not be eligible for conservation reserve payments. (6) If the new program proposed by this bill fails to receive a two-thirds vote in a referendum of wheatgrowers, then all wheat producers, regardless of whether they comply with acreage allotments or not, would receive a support price at 50 percent of parity. If marketing quotas are disapproved, the present surplus of wheat could not be released by CCC for less than 75 percent of parity plus 5 percent plus reasonable carrying charges. (7) At the end of the 2-year life of the legislation, the wheat program would revert to that provided under present law, unless the Congress takes further action before the 1962 crops are planted.

#### COST

Since the bill provides for 90 percent of parity support levels for wheat, it is bound to result in a market price for wheat close to 95 percent of parity. The effect of support of any significant portion of the crop at 90 percent of parity will be a market price close to 95 percent level because of the operation of the payment-in-kind export program. This high market price in turn will have the effect of (1) increasing the annual cost of the wheat export subsidy by over \$200 million as compared with the present program, and (2) creating a price incentive to increase yields on the reduced acreage as much as possible, and this will tend to reduce significantly the production effects resulting from the acreage cutbacks. The rigid 90 percent of parity supports will be at levels which will stimulate new technology and the new flow of capital into production and offset in large part the control effort. In addition, producers will tend to reduce their wheat acreage with the poorer land. Thus the acreage left in wheat will have an above-average production potential. With the high level of support producers will strive for even higher yields, and with

the better land the wheat crop would be reduced by an amount smaller than the acreage cut. The reduction in wheat output would probably be less than 15 percent. Experience has shown that acreage cuts do not achieve a proportionate reduction in crop output.

The 25 percent reduction in acreage called for in the bill is designed to achieve a savings to the Government by reducing the production of wheat. The Department estimates that this saving will amount to around an estimated \$270 million. When the additional estimated cost of \$200 million for increased export subsidies is added to an estimated \$180 million to cover the cost of the payment-in-kind provision, it is clear that this legislation will be \$110 million more expensive than the present excessively costly program.

#### INEFFECTIVENESS

One provision of H.R. 7246 purports to prevent farmers from raising price-supported crops on that 25 percent of the acreage allotment diverted from wheat. This provision is ineffective, because the only sanction employed to enforce it is the denial of price-support loans on wheat. A wheat farmer may reduce his allotment by 25 percent and still plant the diverted acreage to a price-supported crop, such as corn. All he will lose will be eligibility for a wheat loan and for the payment in kind. However, since enough farmers will cooperate so as to make the support program effective, the farmer who takes advantage of the loophole *can sell his wheat at 90 percent of parity or better and obtain price support on all his other price-supported crops*. If a farmer chose to forsake the payment in kind, the diverted wheat acreage could be used for grazing or could be shifted into crops not now price supported, such as potatoes, vegetables, popcorn, broom corn, etc., creating surpluses in these crops. Previous experience has shown that small changes in the acreage of these crops have resulted in sharp decreases in prices. This in turn could lead to the need for Government help to these producers, since their problems would have been the result of a Government program.

The return to rigid high supports represents a step backwards and a return to the same discredited program which has led us to the critical situation in wheat today. If the level of support in this bill were adopted, wheat would enjoy a special advantage not available to the growers of most other crops. Even those proponents of 90 percent of parity for tobacco, the only crop supported at such level, have come to realize lately the ineffectiveness of this approach as a solution to our farm problem.

The effect of the disapproval of marketing quotas under H.R. 7246 does not substantially differ from that under present law. There are also some serious administrative problems incidental to the section of this bill dealing with payments in kind.

#### SUMMARY

As the President pointed out in his special message to the Congress on May 13 of this year, we must meet the pressing wheat issue squarely and resolutely, lest we see the entire agricultural program crash of its own weight, carrying with it all that is good and sound in support of



agriculture by the Federal Government. This bill, which attempts to go in several directions at once, does not begin to meet this critical wheat issue and should be defeated.

CHARLES B. HOEVEN.  
PAUL B. DAGUE,  
PAGE BELCHER,  
CLIFFORD G. MCINTIRE,  
HENRY A. DIXON,  
CHARLES M. TEAGUE,  
CATHERINE MAY,  
ALEXANDER PIRNIE.

## ADDITIONAL MINORITY VIEWS

H.R. 7246 does not provide the necessary legislative machinery to either implement an effective control of wheat production or to provide an acceptable choice to wheat farmers. We feel that several fatal defects exist in this bill which purports to offer the choice of strict controls and high price supports or free production and low price supports. These defects are as follows: First: The evidence is clear that a 25-percent reduction in farm wheat acreage allotments, when coupled with payments in kind in wheat, simply will not cut into the excess production of wheat. At least a 30-percent reduction seems necessary to begin to effectively do the job. Second: As pointed out in the minority views, H.R. 7246 does not require strict cross-compliance, a feature which is absolutely essential if there is to be true and effective control of the acreage retired from wheat production so as to prevent an adverse effect on other commodities. Third: Although this bill reduces the 15-acre farm marketing quota exemption, it continues in existence a loophole in the law which has caused an estimated 600 million bushels of wheat to accumulate in Government storage bins. Since the bill imposes strict penalties for overproduction on farmers in the commercial wheat area where wheat is often the best crop which a farmer can raise, it seems only just that the present 15-acre exemption be repealed and thus require all producers to conform to their allotments. Fourth: Agricultural history during the last 25 years has been a sad testimonial to the fact that acreage controls alone are not effective tools in controlling the production of farm commodities. In spite of this experience, H.R. 7246 continues to attempt to control wheat production on the sole basis of acreage allotments. We feel that if legislation is to give the farmer an effective control program it should and must embrace a combination of bushelage and acreage allotments. Fifth: The alternative offered wheat farmers in the referendum means price support at 50 percent of parity or \$1.18 per bushel. We feel this is too low and the choice should be more in line with that offered to corn farmers in their referendum held last fall. We also feel that one referendum would be sufficient for the 2 years that H.R. 7246 is to be in effect.

ALBERT H. QUIE.  
DON L. SHORT.



## ADDITIONAL MINORITY VIEWS

I agree generally with the statements expressed in the minority views, but specifically want to point out some other objectionable features of H.R. 7246. This bill continues in effect the undemocratic principle of denying the right to vote in a wheat referendum to 1,225,101 of the 1,815,602 wheat farm operators in the United States. In other words, 67.5 percent of the wheat producers of the United States are still denied the right to vote in a wheat referendum. In my own State of Ohio there are 157,516 wheat farmers of which 127,916 are denied the right to vote under the present law and under H.R. 7246. Accordingly, 81.2 percent of the wheat producers in the State of Ohio are denied the right to vote in a wheat referendum. These figures illustrate the indisputable fact that the present wheat program and H.R. 7246 are tailored to meet the demands of the big producers as opposed to the small producers. I have set out at the conclusion of my views a table prepared by the Department of Agriculture which shows by commercial States the total number of farms producing wheat, and the total number of farms producing wheat which are ineligible to vote under H.R. 7246, and I urge my fellow colleagues in the House to give it thorough consideration before casting their votes on this legislation.

Another feature of H.R. 7246 would further restrict the production of the small farmer by reducing the present 15-acre exemption to the smaller of 12 acres or the highest planted acreage in 1957, 1958 or 1959. In order for a small farmer to be eligible for payment in kind in wheat, he must reduce his *allotment* by 25 percent. These allotments are usually only a fraction of the present 15-acre exemption. For example, in 1958 over 840,000 farms had wheat allotments of *less than 5 acres*. The effect of H.R. 7246 is that not only is this small producer required to take a 3-acre reduction but for all practical purposes, he is denied the one-third payment in kind given to larger producers who are likewise required to take a reduction.

I would also like to point out that the small farmers who utilize the present 15-acre exemption are, in the main, producers of Soft Red Winter wheat. *There is no pressing surplus problem for this class of wheat.* The total carryover of Soft Red Winter wheat was only 6 million bushels in 1958 and is estimated to be only 16 million bushels on July 1, 1959. When compared to the carryover in 1952, the 1959 carryover of 16 million bushels is virtually the same. The 16 million bushel carryover of Soft Red Winter wheat is relatively insignificant when compared to the total estimated 1959 carryover of nearly 1.3 billion bushels for all classes of wheat. Other classes of wheat are in tremendous surplus. Hard Red Winter wheat carryover is expected to rise to 946 million bushels by July 1, 1959, or up 849 million bushels since 1952. H.R. 7246 does not recognize this difference in the classes of wheat in surplus, but it nevertheless requires the small 15-acre farmer who is the chief producer of the class of wheat which is *not* in surplus to absorb a cut in acreage.

H.R. 7246 does have one commendable feature: It permits a farmer unlimited production for on-the-farm use by removing the present 30-acre ceiling. I agree with the principle of offering a choice in the referendum between controls and reduced production or complete freedom to produce at lower levels of support, but this provision should be amended in order to let *all* wheat farmers exercise the right to vote. H.R. 7246 would even deny a vote to those small farmers whose 15-acre exemption has been reduced to the smaller of 12 acres or the highest planted acreage in 1957, 1958, or 1959.

If H.R. 7246 is allowed to become law in its present form, it will be noted for what it did *to* the small farmer and not what it did *for* him.

*Wheat: Total number of farms, and farms ineligible to vote under H.R. 7246*

State	Total number of farms	Number of farms not eligible to vote under H.R. 7246 <sup>1</sup>	Percent of farms not eligible to vote	State	Total number of farms	Number of farms not eligible to vote under H.R. 7246 <sup>1</sup>	Percent of farms not eligible to vote
Arkansas.....	18,395	17,699	96.2	New York.....	38,452	32,292	84.0
California.....	6,211	3,280	52.8	North Carolina.....	75,388	72,290	95.9
Colorado.....	21,561	6,496	30.1	North Dakota.....	72,794	3,698	5.1
Delaware.....	2,061	1,225	59.4	Ohio.....	157,516	127,916	81.2
Georgia.....	21,581	20,022	92.8	Oklahoma.....	85,191	30,806	36.1
Idaho.....	31,639	20,518	64.8	Oregon.....	18,193	12,341	67.8
Illinois.....	138,319	107,340	77.6	Pennsylvania.....	87,939	79,792	90.7
Indiana.....	123,500	100,294	81.2	South Carolina.....	40,168	38,435	95.7
Iowa.....	14,142	11,289	79.8	South Dakota.....	42,327	11,315	26.7
Kansas.....	138,991	41,365	29.8	Tennessee.....	34,389	31,492	91.6
Kentucky.....	28,611	24,676	86.2	Texas.....	61,939	27,629	44.6
Maryland.....	14,862	10,677	71.8	Utah.....	12,864	9,956	77.4
Michigan.....	118,445	100,899	85.2	Virginia.....	48,892	44,987	92.0
Minnesota.....	51,084	38,472	75.3	Washington.....	17,534	8,342	47.6
Missouri.....	151,961	127,553	83.9	West Virginia.....	6,425	5,869	91.3
Montana.....	25,155	4,992	19.8	Wisconsin.....	13,990	13,606	97.3
Nebraska.....	80,976	29,737	36.7	Wyoming.....	4,078	1,477	36.2
New Jersey.....	5,131	4,054	79.0				
New Mexico.....	4,898	2,270	46.3	Total.....	1,815,602	1,225,101	67.5

<sup>1</sup> Farms with allotments of 15 acres or less, and which did not plant in excess of 15 acres in 1958.

DELBERT L. LATTA.



86TH CONGRESS  
1ST SESSION

# H. R. 7246

[Report No. 384]

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1959

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

MAY 25, 1959

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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## A BILL

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That title I of the Agricultural Act of 1949, as amended, is  
4       amended by adding the following new section:  
5       “SEC. 106. Notwithstanding the provisions of section  
6       101 of this Act, for each of the 1960 and 1961 crops of  
7       wheat price support shall be made available as provided in  
8       this section. The support price for each such crop shall be  
9       90 per centum of the parity price therefor. Wheat of any  
10      such crop shall be eligible for price support only if (1)

1 the farm on which the wheat is produced is in compliance  
2 with the farm wheat acreage allotment for such crop, and  
3 (2) the total acreage on the farm devoted to the production  
4 of crops supported under the Agricultural Act of 1949, as  
5 amended, which would normally be harvested in the calendar  
6 year in which the wheat crop for which the producer applies  
7 for price support is normally harvested, does not exceed  
8 the total average annual acreage on the farm devoted to  
9 the production of such price supported crops for harvest in  
10 1957 and 1958, less an acreage equal to ~~30~~ 25 per centum of  
11 the farm acreage allotment for the crop of wheat for which  
12 application for price support is made which would be in  
13 effect for the farm except for the reduction thereof as pro-  
14 vided in section ~~344~~ 334 (c) (2) of the Agricultural Adjust-  
15 ment Act of 1938, as amended: *Provided, however,* That a  
16 farm shall be deemed in compliance with the foregoing re-  
17 quirements for price support for wheat if no crop other than  
18 wheat supported under the Agricultural Act of 1949, as  
19 amended, is produced on the farm for harvest in 1960 or  
20 1961, whichever is applicable, and the farm is in compli-  
21 ance with the farm wheat acreage allotment. In accord-  
22 ance with regulations prescribed by the Secretary, the acre-  
23 age of such price supported crops for 1957 and 1958 may  
24 be adjusted for abnormal weather conditions, established  
25 crop-rotation practices for the farm, diversion under soil



1 bank programs, and to reflect history acreage preserved  
2 under section 377 of the Agricultural Adjustment Act of  
3 1938, as amended, to the extent of any unused allotment  
4 not diverted to the production of such price supported crops.  
5 For the purposes of this section a producer shall not be  
6 deemed to have exceeded the farm acreage allotment or the  
7 acreage of permitted price supported crops for the farm un-  
8 less the producer knowingly exceeded such allotment or  
9 permitted acreage. In addition, for the 1960 or 1961 crops  
10 of wheat, if *marketing quotas for the particular crop are in*  
11 *effect and* the producers on the farm meet the foregoing  
12 requirements for price support and, in accordance with reg-  
13 ulations prescribed by the Secretary, designate an acreage  
14 on the farm equal to the ~~30~~ 25 per centum reduction in the  
15 farm acreage allotment required under section ~~344~~ 334 (c)  
16 (2) of the Agricultural Adjustment Act, as amended, for the  
17 particular crop of wheat and do not produce any crop  
18 thereon which is normally harvested in the calendar year  
19 in which the particular crop of wheat is normally harvested  
20 and do not graze such acreage during such year, such pro-  
21 ducers shall be entitled to a wheat payment in kind from  
22 Commodity Credit Corporation stocks equal in value to one-  
23 third of the average annual yield in bushels of wheat per  
24 harvested acre on the farm for the three years immediately  
25 preceding the year for which the designation is made, ad-

1   justed for abnormal weather conditions and as determined  
2   under regulations prescribed by the Secretary, multiplied  
3   by the number of designated acres. Such wheat may be  
4   marketed without penalty but shall not be eligible for price  
5   support. The payment in kind shall be made by the issu-  
6   ance of a negotiable certificate which Commodity Credit  
7   Corporation shall redeem in wheat equal in value to the  
8   value of the certificate. The certificate shall have a value  
9   equal to the number of bushels determined as aforesaid mul-  
10   tiplied by the basic county support rate per bushel for num-  
11   ber one wheat of the crop normally harvested in the year  
12   for which the acreage is designated and for the county in  
13   which the designated acreage is located. The wheat re-  
14   deemable for such certificate shall be valued at the market  
15   price thereof as determined by Commodity Credit Corpora-  
16   tion. The Secretary shall provide by regulation for the  
17   sharing of a certificate among producers on the farm on a  
18   fair and equitable basis. The acreage on the farm which  
19   would otherwise be eligible to be placed in the conservation  
20   reserve program for 1960 or 1961 shall be reduced by an  
21   amount equal to the required reduction of ~~30~~ 25 per centum  
22   under section ~~344(e)~~ 334(c)(2) of the Agricultural Adjust-  
23   ment Act of 1938, as amended, for the wheat crop of the cor-  
24   responding year. Price support at 90 per centum of parity  
25   under this section shall be made available only to cooperators



1 and only if producers have not disapproved marketing quotas  
2 for the crop. In case marketing quotas are disapproved,  
3 price support shall be made available to cooperators and non-  
4 cooperators at 50 per centum of parity: *Provided, however,*  
5 That for the purpose of section 407 of the Agricultural Act  
6 of 1949, as amended, the current support price for wheat  
7 shall be determined on the basis of a price support level for  
8 wheat of 75 per centum of the parity price therefor."

9 SEC. 2. (a) In lieu of the provisions of item (1) of  
10 Public Law 74, Seventy-seventh Congress, as amended, the  
11 following provisions shall apply to the 1960 and 1961 crops  
12 of wheat:

13 " (1) If a national marketing quota for wheat is in effect  
14 for any marketing year, farm marketing quotas shall be in  
15 effect for the crop of wheat which is normally harvested in  
16 the calendar year in which such marketing year begins.  
17 The farm marketing quota for any crop of wheat shall be  
18 the actual production of the acreage planted to such crop of  
19 wheat on the farm less the farm marketing excess. The  
20 farm marketing excess shall be an amount equal to double the  
21 normal yield of wheat per acre established for the farm  
22 multiplied by the number of acres planted to such crop of  
23 wheat on the farm in excess of the farm acreage allotment  
24 for such crop unless the producer, in accordance with regula-  
25 tions prescribed by the Secretary and within the time pre-

1 scribed therein, establishes to the satisfaction of the Secretary  
2 the actual production of such crop of wheat on the farm. If  
3 such actual production is so established the farm marketing  
4 excess shall be such actual production less the actual produc-  
5 tion of the farm wheat acreage allotment: *Provided, how-*  
6 *ever,* That the farm marketing excess shall be adjusted to  
7 zero if the total actual production on the farm does not  
8 exceed the normal production of the farm wheat acreage  
9 allotment. Actual production of the farm wheat acreage al-  
10 lotment shall mean the actual average yield per harvested  
11 acre of wheat on the farm multiplied by the number of acres  
12 constituting the farm acreage allotment. In determining the  
13 actual average yield per harvested acre of wheat and the  
14 actual production of wheat on the farm any acreage utilized  
15 for feed without threshing after the wheat is headed, or avail-  
16 able for such utilization at the time the actual production is  
17 determined, shall be considered harvested acreage and the  
18 production thereof in terms of grain shall be appraised in  
19 accordance with regulations prescribed by the Secretary and  
20 such production included in the actual production of wheat  
21 on the farm. The acreage planted to wheat on a farm shall  
22 include all acreage planted to wheat for any purpose and  
23 self-seeded (volunteer) wheat, but shall not include any  
24 acreage that is disposed of prior to harvest in accordance  
25 with regulations prescribed by the Secretary."



1 (b) Notwithstanding the provisions of item (2) of  
2 Public Law 74, Seventy-seventh Congress, as amended (7  
3 U.S.C. 1340 (2) ), the rate of penalty on wheat of the 1960  
4 and 1961 crops shall be 65 per centum of the parity price  
5 per bushel of wheat as of May 1 of the calendar year in  
6 which the crop is harvested.

7 (c) In lieu of the provisions of item (3) of Public  
8 Law 74, Seventy-seventh Congress, as amended, the follow-  
9 ing provisions shall apply to the 1960 and 1961 crops of  
10 wheat:

11 “(3) The farm marketing excess for wheat shall be  
12 regarded as available for marketing, and the penalty and the  
13 storage amount or amounts of wheat to be delivered to the  
14 Secretary shall be computed upon double the normal produc-  
15 tion of the excess acreage. If the farm marketing excess  
16 so computed is adjusted downward on the basis of actual  
17 production as heretofore provided the difference between the  
18 amount of the penalty or storage computed on the basis of  
19 double the normal production and as computed on actual  
20 production shall be returned to or allowed the producer or  
21 a corresponding adjustment made in the amount to be de-  
22 livered to the Secretary if the producer elects to make such  
23 delivery. The Secretary shall issue regulations under which  
24 the farm marketing excess of wheat for the farm shall be  
25 stored or delivered to him. Upon failure to store, or deliver

1 to the Secretary, the farm marketing excess within such  
2 time as may be determined under regulations prescribed by  
3 the Secretary the penalty computed as aforesaid shall be  
4 paid by the producer. Any wheat delivered to the Secre-  
5 tary hereunder shall become the property of the United  
6 States and shall be disposed of by the Secretary for relief  
7 purposes in the United States or foreign countries or in such  
8 other manner as he shall determine will divert it from the  
9 normal channels of trade and commerce.”

10 (d) Item (7) Public Law 74, Seventy-seventh Con-  
11 gress, as amended (7 U.S.C. 1340 (7)) is amended to  
12 read as follows:

13 “(7) A farm marketing quota on any crop of wheat  
14 shall not be applicable to any farm on which the acreage  
15 planted to wheat for such crop does not exceed 15 acres:  
16 *Provided, however,* That a farm marketing quota on the  
17 1960 and 1961 crops of wheat shall be applicable to any  
18 farm on which the acreage of wheat exceeds the smaller of  
19 (1) 12 acres or (2) the highest number of acres planted  
20 to wheat on the farm for harvest in the calendar years 1957,  
21 1958, or 1959.”

22 SEC. 3. Item (12) of Public Law 74, Seventy-  
23 seventh Congress, as amended (7 U.S.C. 1340 (12)) shall  
24 not be applicable with respect to the 1960 and 1961 crops  
25 of wheat.



1        SEC. 4. The Agricultural Adjustment Act of 1938, as  
2 amended, is amended as follows:

3        (a) Section 334 is amended by inserting “(1)” after  
4 “(c)” and adding a new subparagraph (2) following sub-  
5 paragraph (c) (1) to read as follows:

6        “(2) Notwithstanding any other provision of law, each  
7 old or new farm acreage allotment for the 1960 and 1961  
8 crops of wheat as determined on the basis of a minimum na-  
9 tional acreage allotment of fifty-five million acres shall be  
10 reduced by ~~30~~ 25 per centum. In the event notices of farm  
11 acreage allotments for the 1960 crop of wheat have been  
12 mailed to farm operators prior to the effective date of this  
13 subparagraph (2) new notices showing the required reduc-  
14 tion shall be mailed to farm operators as soon as practicable.”

15        (b) Section 334 is further amended by inserting a new  
16 paragraph (d) between paragraphs (c) and (e) to read  
17 as follows:

18        “(d) For the purposes of paragraphs (a), (b), and  
19 (c) of this section any farm on which the farm marketing  
20 excess is adjusted to zero because of underproduction pur-  
21 suant to applicable provisions of law shall be regarded as a  
22 farm on which the entire amount of the farm marketing  
23 excess has been delivered to the Secretary or stored in ac-  
24 cordance with applicable regulations to avoid or postpone  
25 the payment of the penalty.”

1       (c) Subsection (f) of section 335 is amended by  
2 striking out the semicolon at the end of item (1) and add-  
3 ing “and shall not apply to other farms with respect to the  
4 1960 and 1961 crops;”.

5       (d) Section 336 is amended to read as follows:

6       “SEC. 336. Between the date of issuance of any procla-  
7 mation of any national marketing quota for wheat and July  
8 25 of the year in which the proclamation is made the Secre-  
9 tary shall conduct a referendum by secret ballot to determine  
10 whether farmers favor or oppose such quota. Farmers eli-  
11 gible to vote in such referendum shall be farmers who were  
12 engaged in the production of the crop of wheat normally  
13 harvested in the calendar year immediately preceding the  
14 calendar year in which the referendum is held on a farm that  
15 was not exempted from farm marketing quotas on such crop  
16 of wheat under applicable provisions of law. Any acreage  
17 considered as being devoted to wheat in establishing future  
18 allotments under applicable provisions of law shall be con-  
19 sidered as wheat-producing acreage for the purpose of de-  
20 termining eligibility to vote. If the Secretary determines  
21 that more than one-third of the farmers voting in the referen-  
22 dum oppose such quota he shall prior to the effective date  
23 of such quota by proclamation suspend the operation of the  
24 national marketing quotas with respect to wheat”.



1       (e) Section 362 is amended by deleting the second  
2 sentence thereof.

3       SEC. 5. Subsections (b) and (c) of section 335 of the  
4 Agricultural Adjustment Act of 1938, as amended, are here-  
5 by repealed and subsection (d) of said section is repealed  
6 effective beginning with the 1960 crop of wheat.

86TH CONGRESS  
1ST SESSION

**H. R. 7246**

[Report No. 384]

---

# **A BILL**

---

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

---

By Mr. COOLEY

---

MAY 19, 1959

Referred to the Committee on Agriculture

MAY 25, 1959

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 5, 1959  
For actions of June 4, 1959  
86th-1st, No. 91



Accounting.....	16	Farm program.....	17	Property.....	26
Agricultural		Foreign aid.....	14	Reclamation.....	3,18
appropriations.....	1	Foreign trade.....	19	School lunch.....	15
Agricultural attaches...	23	Forestry.....	3,27	Surplus commodities...	8,13
Appropriations.....	1,11,16	Livestock.....	4	Tobacco.....	6
Coconut oil.....	24	Marketing.....	22	Transportation.....	12
Commodity exchanges.....	25	Patents.....	10	Vehicles.....	21
Conservation reserve.....	1	Personnel.....	9,21,23	Water pollution.....	7
Dairy products.....	15	Potatoes.....	25	Wheat.....	5
Egg prices.....	2,22	Poultry.....	2,22	Wildlife.....	26
Electrification.....	20				

HIGHLIGHTS; House Rules Committee cleared wheat and tobacco price support bills. Sen. Russell disputed Sen. Williams', Del., statements on USDA appropriation bill.

## SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Sens. Russell and Williams, Del., debated whether the agricultural appropriation bill as passed by the Senate provides more funds than were requested by the Administration, with Sen. Russell terming as "completely in error" a statement by Sen. Williams that the bill "calls for the expenditure next year of \$220 million over and above the amount which the administration requested in its budget estimate." Sen. Russell stated that certain items in the bill were authorizations, not appropriations, and inserted tables showing advance authorizations and appropriations for the conservation reserve and ACP programs for previous years. pp. 8874, 8875-80
2. EGG PRICES. Sen. Neuberger discussed "the disaster which has struck egg and poultry producers in our States," and inserted the text of a letter he sent to this Department urging "steps to assist in alleviating this situation," and inserted two articles discussing the situation. pp. 8851-4
3. FORESTRY. Sen. Murray commended the work of the Forest Service in the reforestation of Teakettle Mountain, Mont., and urged enactment of legislation for the establishment of a Youth Conservation Corps to aid in forestry conservation. pp. 8858-9

4. LIVESTOCK. Sen. Hruska paid tribute to the Union Stockyards Co., of Omaha, Nebr., on its 75th anniversary, for "its steadfast and competent service to the livestock industry," and inserted an address by the president of the Co. pp. 8841-3

HOUSE

*Voted to*

5. WHEAT. The Rules Committee <sup>*Voted to*</sup> reported a resolution for consideration of H. R. 7246, to revise acreage allotments and price supports for wheat (See Digest 82, item 8, and Digest 81, item 24, for a summary of the bill). p. D437
6. TOBACCO. The Rules Committee reported a resolution for consideration of S. 1901, to modify price supports for tobacco (See Digest 82, item 1, for purpose of bill). p. D437
7. WATER POLLUTION. Began debate on H. R. 3601, to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works and to establish the Office of Water Pollution Control. Rep. Blatnik quoted Secretary Benson as saying "we have got to stop wasting water." (p. 8912). pp. 8911-12, 8912-44
8. RECLAMATION. Rep. King criticized the "no new starts policy which the Administration proposed in its budget requests," stressed the "importance of reclamation" and stated that the charge that reclamation is responsible for farm surpluses is "not true" and that surpluses are a "temporary problem." pp. 8947-8
9. PERSONNEL. A subcommittee of the Judiciary Committee voted to report with amendment (but did not actually report) H. R. 3283, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment. p. D437
10. PATENTS. A subcommittee of the Judiciary Committee voted to report (but did not actually report) H. R. 2739, to fix the fees payable to the Patent Office on patents, and H. R. 4059, with amendment, to amend title 28 of the U. S. Code to protect copyrights from Government infringement. p. D437
11. APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$295,285,072 for fiscal year 1959 and \$47,785,670 for fiscal year 1960 for various agencies (H. Doc. 169). The proposal does not include any items for this Department. pp. 8966-7
12. WATER TRANSPORTATION. Rep. Shelley stated that despite statutes such as sec. 901 (b) of the Merchant Marine Act of 1936, as amended, "which provides that at least 50% of Government sponsored cargoes /such as surplus grain moving under P. L. 480/ shall be carried on privately owned U. S. flag vessels," the "USDA, ICA, and the Department of State have, for various reasons best known to themselves, engaged in actions inconsistent with and in derogation of the purpose of the legislation," charged that certain agencies "have apparently been more concerned in furthering the interests of foreign merchant marines," and urged "prompt legislative action to prevent the extinction of the tanker segment of our American merchant marine." pp. 8961-2

ITEMS IN APPENDIX

13. SURPLUS COMMODITIES. Sen. Byrd, W. Va., inserted his statement before the Senate Agriculture and Forestry Committee favoring proposed legislation to expand the distribution of surplus food to the needy. pp. A4751-2









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

## CONTENTS

Issued June 8, 1959  
For actions of June 5, 1959  
86th - 1st, No. 92

Adjournment.....	8,17
Animal diseases.....	2
Appropriations.....	1,9,14,15,21,31
Banks for cooperatives....	2
Budget.....	21,26
Conservation.....	3
Egg prices.....	23
Employment.....	6
Expenditures.....	16
Farm loans.....	2
F.....	3
Federal-State relations.....	4,13,14
Foreign affairs.....	5
Foreign aid.....	12,18
Foreign trade.....	7
Forest Service.....	1
Forestry.....	3,29
Information.....	30
Lands.....	2
Legislative program.....	14
Livestock.....	2
Loans.....	2,9
Obligations.....	26
Personnel.....	27
Poultry.....	2,23
Public debt.....	25
Public works.....	9,14
REA loans.....	9
Reclamation.....	24
Recreation.....	19
Research.....	29
Surplus commodities.....	22
Surplus property.....	28
Tobacco.....	11,14
Water pollution.....	14,20
Wheat.....	10,14
Wildlife.....	28

HIGHLIGHTS: Senate committee reported Interior appropriation bill (includes Forest Service). To be debated today, June 8. Senate committee reported bill to extend authority for refinancing farm loans. House debated public works appropriation bill. House committee reported mutual security authorization bill.

## SENATE

1. APPROPRAITIONS. The Appropriations Committee reported with amendments H. R. 5915, the Interior Department appropriation bill for fiscal year 1960, which includes Forest Service items (S. Rept. 345) (p. 8970). At the end of this Digest is a table showing the Forest Service items and excerpts from the committee report.

Agreed to a unanimous-consent agreement by Sen. Johnson to begin debate on this bill Mon., June 8, with debate on any amendment limited to 30 minutes, and debate on final passage limited to 2 hours. (p. 8985)

2. THE AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: (p. 8970)
  - S. 1941, without amendment, to extend sec. 17 of the Bankhead-Jones Farm Tenant Act for two years so as to continue the authority of FHA to make real estate loans for refinancing farm debts (S. Rept. 347).
  - S. 864, with amendment, to authorize this Department to dispose of animals infected or exposed to communicable diseases dangerous to livestock or poultry (S. Rept. 351).
  - S. 1512, with amendment, to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks (S. Rept. 349).
  - S. 1513, with amendment, to clarify the status of the Federal land banks, Federal intermediate credit banks, and banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the U. S. and its officers and employees (S. Rept. 350).
  - S. 1521, with amendment, to provide for the removal of restrictions on use with respect to a tract of land in Cumberland, Co., Tenn., formerly under the jurisdiction of FHA, which was conveyed to Tenn. (S. Rept. 348).
3. FORESTRY. A subcommittee of the Labor and Public Welfare Committee voted to report (but did not actually report) with amendments S. 812, to establish a Youth Conservation Corps (p. D411). Sen. Humphrey inserted a Minn. Legislature resolution favoring enactment of this bill (p. 8970).
4. FEDERAL-STATE RELATIONS. Sen. Keating and others discussed problems of Federal - State relations, and Sen. Keating stated that he planned to introduce a resolution to create "a new Joint Committee of Congress on Federal-State Relations with jurisdiction to conduct a comprehensive study of the problems in this area." pp. 9018-28
5. FOREIGN AFFAIRS. Sen. Mundt inserted a speech by the director of the U. S. Information Agency, "Understanding: The One Sure Road to Peace," discussing "the role of the USIA in promoting cultural exchange." pp. 8980-1
6. EMPLOYMENT. Sen. Clark inserted a listing of areas of substantial labor surplus in May, and two articles discussing unemployment and the problem of inflation. pp. 8982-4
7. FOREIGN TRADE. Sen. Clark inserted an article, "Exports Gloom Held Too Thick," discussing the "decline in U. S. exports." p. 8984
8. ADJOURNED until Mon., June 8. p. 9028

#### HOUSE

9. PUBLIC WORKS APPROPRIATION BILL. Began debate on this bill, H. R. 7509 (pp. 9037-88, 9090-1). A summary of the projects covered in this bill as reported appears on pp. 9038-48. Rep. Anderson, Mont., commended the action of the Appropriations Committee "in repudiating the 'no new starts' reclamation policy of the administration," and Rep. Monagan termed this policy "unwise and unrealistic" (pp. 9060, 9087). Rep. Ullman urged restoration of funds for an Oregon transmission line which was shown to be "necessary" on the basis of a "comprehensive load study which was made by the local cooperative in cooperation with REA and BPA," and discussed a pending REA loan application (p. 9060). Rep. Weaver discussed a Nebraska flood control project which is partially the responsibility of SCS (p. 9063).
10. WHEAT. The Rules Committee formally reported a resolution for consideration of H. R. 7246, to revise acreage allotments and price supports for wheat. (See Digest 82, item 8, and Digest 81, item 24, for a summary of this bill. The Committee voted to report this resolution June 4.) p. 9096



CONSIDERATION OF H.R. 7246

---

JUNE 5, 1959.—Referred to the House Calendar and ordered to be printed

---

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 285]

The Committee on Rules, having had under consideration House Resolution 285, report the same to the House with the recommendation that the resolution do pass.







## House Calendar No. 80

86TH CONGRESS  
1ST SESSION

# H. RES. 285

[Report No. 438]

---

### IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 1959

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

---

## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for the consideration of the bill (H. R. 7246) to  
5 amend the Agricultural Act of 1949, as amended, the Agri-  
6 cultural Adjustment Act of 1938, as amended, and Public  
7 Law 74, Seventy-seventh Congress, as amended. After  
8 general debate, which shall be confined to the bill, and shall  
9 continue not to exceed three hours, to be equally divided and  
10 controlled by the chairman and ranking minority member  
11 of the Committee on Agriculture, the bill shall be read for  
12 amendment under the five-minute rule. At the conclusion of

1 the consideration of the bill for amendment, the Committee  
2 shall rise and report the bill to the House with such amend-  
3 ments as may have been adopted, and the previous question  
4 shall be considered as ordered on the bill and amendments  
5 thereto to final passage without intervening motion except  
6 one motion to recommit.

House Calendar No. 80

86TH CONGRESS  
1ST SESSION

**H. RES. 285**

[Report No. 438]

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## RESOLUTION

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Providing for the consideration of H.R. 7246,  
a bill to amend the Agricultural Act of 1949,  
as amended, the Agricultural Adjustment  
Act of 1938, as amended, and Public Law  
74, Seventy-seventh Congress, as amended.

---

By Mr. SMITH of Virginia

---

JUNE 5, 1959

Referred to the House Calendar and ordered to be  
printed









86TH CONGRESS  
1ST SESSION

# H. R. 7611

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1959

Mr. BELCHER introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That title I of the Agricultural Act of 1949, as amended,  
4       is amended by adding the following new section:

5       “SEC. 106. Notwithstanding the provisions of section  
6       101 of this Act, if marketing quotas are disapproved for the  
7       1960 crop of wheat, the level of price support to cooperators  
8       and noncooperators for the 1960 crop and each subsequent  
9       crop of wheat shall be 50 per centum of the parity price  
10      price of wheat: *Provided*, That if price support at 50 per

1 centum of the parity price is in effect under this section, the  
2 current price support for wheat, for the purposes of section  
3 407 of the Agricultural Act of 1949, as amended, shall be  
4 determined on the basis of a price support level for wheat of  
5 75 per centum of the parity price therefor.”

6 SEC. 2. (a) Item (1) of Public Law 74, Seventy-  
7 seventh Congress, as amended, is amended to read as fol-  
8 lows:

9 “(1) If a national marketing quota for wheat is in  
10 effect for any marketing year, farm marketing quotas shall  
11 be in effect for the crop of wheat which is normally harvested  
12 in the calendar year in which such marketing year begins.  
13 The farm marketing quota for any crop of wheat shall be the  
14 actual production of the acreage planted to such crop of wheat  
15 on the farm less the farm marketing excess. The farm mar-  
16 keting excess shall be an amount equal to double the normal  
17 yield of wheat per acre established for the farm multiplied  
18 by the number of acres planted to such crop of wheat on the  
19 farm in excess of the farm acreage allotment for such crop  
20 unless the producer, in accordance with regulations pre-  
21 scribed by the Secretary and within the time prescribed  
22 therein, establishes to the satisfaction of the Secretary the  
23 actual production of such crop of wheat on the farm. If such  
24 actual production is so established the farm marketing excess  
25 shall be such actual production less the actual production of



1 the farm wheat acreage allotment: *Provided, however,* That  
2 the farm marketing excess shall be adjusted to zero if the  
3 total actual production on the farm does not exceed the nor-  
4 mal production of the farm wheat acreage allotment. Actual  
5 production of the farm wheat acreage allotment shall mean  
6 the actual average yield per harvested acre of wheat on the  
7 farm multiplied by the number of acres constituting the farm  
8 acreage allotment. In determining the actual average yield  
9 per harvested acre of wheat and the actual production of  
10 wheat on the farm any acreage utilized for feed without  
11 threshing after the wheat is headed, or available for such utili-  
12 zation at the time the actual production is determined, shall be  
13 considered harvested acreage and the production thereof in  
14 terms of grain shall be appraised in accordance with regula-  
15 tions prescribed by the Secretary and such production in-  
16 cluded in the actual production of wheat on the farm. The  
17 acreage planted to wheat on a farm shall include all acreage  
18 planted to wheat for any purpose and self-seeded (volun-  
19 teer) wheat, but shall not include any acreage that is dis-  
20 posed of prior to harvest in accordance with regulations pre-  
21 scribed by the Secretary.”

22 (b) Notwithstanding the provisions of item (2) of  
23 Public Law 74, Seventy-seventh Congress, as amended (7  
24 U.S.C. 1340 (2) ), the rate of penalty on wheat of the  
25 1960 and subsequent crops shall be 65 per centum of the

1 parity price per bushel of wheat as of May 1 of the calendar  
2 year in which the crop is harvested.

3 (c) Item (3) of Public Law 74, Seventy-seventh  
4 Congress, as amended, is amended effective beginning with  
5 the 1960 crop of wheat to read as follows:

6 “(3) The farm marketing excess for wheat shall be  
7 regarded as available for marketing, and the penalty and  
8 the storage amount or amounts of wheat to be delivered to  
9 the Secretary shall be computed upon double the normal  
10 production of the excess acreage. If the farm marketing  
11 excess so computed is adjusted downward on the basis of  
12 actual production as heretofore provided the difference  
13 between the amount of the penalty or storage computed on  
14 the basis of double the normal production and as computed  
15 on actual production shall be returned to or allowed the  
16 producer or a corresponding adjustment made in the amount  
17 to be delivered to the Secretary if the producer elects to  
18 make such delivery. The Secretary shall issue regulations  
19 under which the farm marketing excess of wheat for the  
20 farm shall be stored or delivered to him. Upon failure to  
21 store, or deliver to the Secretary, the farm marketing excess  
22 within such time as may be determined under regulations  
23 prescribed by the Secretary the penalty computed as afore-  
24 said shall be paid by the producer. Any wheat delivered  
25 to the Secretary hereunder shall become the property of the



1 United States and shall be disposed of by the Secretary for  
2 relief purposes in the United States or foreign countries  
3 or in such other manner as he shall determine will divert  
4 it from the normal channels of trade and commerce.”

5 (d) Item (7) Public Law 74, Seventy-seventh Con-  
6 gress, as amended (7 U.S.C. 1340 (7)) is repealed effective  
7 beginning with the 1960 crop of wheat.

8 SEC. 3. Item (12) of Public Law 74, Seventy-seventh  
9 Congress, as amended (7 U.S.C. 1340 (12)) is repealed  
10 effective beginning with the 1960 crop of wheat.

11 SEC. 4. The Agricultural Adjustment Act of 1938, as  
12 amended, is amended as follows:

13 (a) Section 334 is amended by inserting a new para-  
14 graph (d) between paragraphs (c) and (e) to read as  
15 follows:

16 “(d) For the purposes of paragraphs (a), (b), and  
17 (c) of this section any farm on which the farm marketing  
18 excess is adjusted to zero because of underproduction pur-  
19 suant to applicable provisions of law shall be regarded as a  
20 farm on which the entire amount of the farm marketing  
21 excess has been delivered to the Secretary or stored in ac-  
22 cordance with applicable regulations to avoid or postpone  
23 the payment of the penalty.”

24 (b) Subsection (f) of section 335 is amended by strik-  
25 ing out the semicolon at the end of item (1) and adding

1 “and shall not apply to other farms with respect to the 1960  
2 and subsequent crops;”.

3 (c) Section 362 is amended by deleting the second  
4 sentence thereof.

5 SEC. 5. Subsection (b) and (c) of section 335 of the  
6 Agricultural Adjustment Act of 1938, as amended, are here-  
7 by repealed and subsection (d) of said section is repealed  
8 effective beginning with the 1960 crop of wheat.

9 SEC. 6. (a) Subsection (f) of section 335 of the Agri-  
10 cultural Adjustment Act of 1938, as amended, is amended  
11 by deleting the last sentence thereof.

12 (b) Section 336 of the Agricultural Adjustment Act of  
13 1938, as amended, is amended to read as follows:

14 “SEC. 336. Between the date of issuance of any procla-  
15 mation of any national marketing quota for wheat and July  
16 25, the Secretary shall conduct a referendum, by secret  
17 ballot, to determine whether farmers are in favor of or op-  
18 posed to such quotas. Farmers eligible to vote in such  
19 referendum shall be farmers who were engaged in the pro-  
20 duction of the crop of wheat normally harvested in the  
21 calendar year immediately preceding the calendar year in  
22 which the referendum is held. If more than one-third of the  
23 farmers voting in the referendum oppose such quota, the



- 1 Secretary shall, prior to the effective date of such quota, by
- 2 proclamation suspend the operation of the national marketing
- 3 quotas with respect to wheat.”

86TH CONGRESS  
1ST SESSION

H. R. 7611

---

## A BILL

---

To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended.

---

By Mr. BELCHER

---

JUNE 8, 1959

Referred to the Committee on Agriculture









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

## CONTENTS

Issued June 11, 1959  
For actions of June 10, 1959  
86th-1st, No. 95

Acreage allotments.....	2
Administrative management.....	36
Appropriations.....	9
Buildings.....	27
Conservation.....	35
Cooperatives.....	1
Depressed areas.....	32
Education.....	34
Egg prices.....	21
Electrification.....	14
Employment.....	7, 20
Family farms.....	22
Farm loans.....	1, 18
Farm program.....	33
Fiscal affairs.....	17
Fish.....	16
Food-for-peace.....	23
Forestry.....	5
Foreign affairs.....	13
Foreign aid.....	3
Foreign currencies.....	3
Health insurance.....	36

Holidays.....	4
Information.....	3, 8, 29
Interest rates.....	17
Investigation.....	33
Legislative program.....	10
Ocean freight.....	3
Personnel.....	4, 30, 36
Price supports.....	1, 2
Prices.....	7, 21
Public debt.....	26
Reclamation.....	6
Research.....	3, 28
Retirement.....	30
Senate accomplishments..	12
Soil conservation.....	28
Surplus commodities.....	3
Technical cooperation....	3
Tobacco.....	1
Trade.....	19
Transportation.....	19
Water conservation.....	28
Water pollution.....	25
Watersheds.....	15
Wheat.....	2, 11, 24, 31

HIGHLIGHTS: House passed tobacco price support bill. House debated wheat bill. House Rules Committee cleared bill to extend mutual security program. Rep. Coffin submitted and discussed measure to authorize special study and investigation of farm program.

## HOUSE

1. TOBACCO. Passed, 250 to 149, with amendment S. 1901, to modify price supports for tobacco (pp. 9408-22).

Agreed to, 108 to 55, an amendment by Rep. Michel to limit to \$50,000 the total amount of CCC loans or purchases made to any person on the 1960 production of tobacco. The amendment exempts cooperative marketing organizations. (pp. 9416-7)

Rejected, 65 to 123, an amendment by Rep. Hoeven to provide for a 3-year freeze on tobacco price supports at the 1958 level for the 1959, 1960, and 1961 crops (pp. 9408-16).

Rejected an amendment by Rep. Pelly to provide that no financial benefit or assistance shall accrue or be paid, directly or indirectly, under the bill to any Member of Congress or employee of the Federal Government (p. 9416).

Rejected an amendment by Rep. Michel to limit to 2 acres the Flue-cured tobacco acreage allotment for any farm in 1960 and subsequent years (pp. 9417-20)

Rejected, 138 to 260, a motion by Rep. Hoeven to recommit the bill to the Agriculture Committee with instructions to report it back with his amendment providing for a 3-year freeze on tobacco price supports (pp. 9421-22). A motion to reconsider the vote on the bill was tabled (p. 9422).

2. WHEAT. Began debate on H. R. 7246, to revise acreage allotments and price supports for wheat. pp. 9423-32
3. FOREIGN AID. The Rules Committee reported a resolution for consideration of H. R. 7500, to extend the mutual security program (pp. 9422, 9438). As reported by the Foreign Affairs Committee, this bill includes provisions as follows: Requires that at least \$175,000,000 (same amount as in last year's act) of mutual security funds be used to finance the sale for foreign currencies of surplus agricultural commodities. Authorizes \$2,300,000 (last year's appropriation was \$2,100,000) for ocean freight to move supplies donated to and by American voluntary agencies. Authorizes the President to utilize foreign currencies under this bill, or any other act, for science and research, including the translation of scientific books and treatises. Authorizes \$211,000,000 for technical cooperation programs.  
Regarding the use of private trade channels in the export and sale of surplus commodities for foreign currencies, the committee report includes the following statements:  
"This committee supports the objectives of avoiding direct State trading in these transactions and of keeping the commodities in private trade channels so far as practicable. However, it wishes to emphasize that economy and efficiency are to be carefully considered in determining 'practicability'. In particular, it would appear that where a transaction is essentially between two arms of the U. S. Government, the ICA and the CCC, a careful study should be made to determine whether a more advantageous form of transfer might be arranged."
4. PERSONNEL; HOLIDAYS. The Rules Committee reported a resolution for consideration of H. R. 5752, to provide for time off for Federal employees for holidays occurring on Saturdays. pp. 9422-3, 9438
5. FORESTRY. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 3682, to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribous and Targhee National Forests. p. D460
6. RECLAMATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) the following bills: p. D460  
H. R. 968, with amendment, to provide for the construction of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Ore.  
H. R. 804, with amendment, to authorize construction of the Spokane Valley Federal reclamation project, Wash. and Ida.
7. EMPLOYMENT; PRICES. The Government Operations Committee voted to report (but did not actually report) H. R. 6263, to amend the Employment Act of 1946 so as to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability. p. D460
8. INFORMATION. A subcommittee of the Education and Labor Committee voted to report to the full committee H. R. 2569 (amended and a clean bill will be introduced), to establish a 21-member Federal Advisory Council on the Arts. p. D460



of the Whole House on the State of the Union for the consideration of the bill (H.R. 5752) to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### COMMITTEE ON EDUCATION AND LABOR

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

#### WHEAT PROGRAM FOR 1960 AND 1961

Mr. SMITH of Virginia. Mr. Speaker, I call up the resolution (H. Res. 285) providing for the consideration of H.R. 7246, a bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, and ask for its present consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and now yield myself such time as I may consume.

Mr. Speaker, this rule makes in order the so-called wheat bill. It is an open rule providing for 3 hours of general debate. It purports to amend the Agricultural Stabilization Act as well as other agricultural acts. The Committee on Rules reported this bill out with a pretty liberal provision of 3 hours for general

debate. I might say that the committee reported it without any great enthusiasm for it because as far as I can learn about everybody who lives in a wheat growing district seems to be carrying around a substitute bill in his pocket, and it is very difficult to get any general approbation of any particular program. But, this is a subject that needs full airing and full discussion in the hope that some reasonable solution of this very troublesome question can be obtained.

Our situation with respect to wheat is that under the existing programs we have on hand in storage about \$3 billion worth of surplus wheat which is deteriorating. It cannot be marketed, apparently cannot be given away. It is constantly piling up. They are building storage facilities to store it in about as fast as the surplus increases. Something has just got to be done about our situation, but nobody knows what to do.

It seems to me that we have about reached the point on this program where we have got to sit down and think soberly about it and do something pretty drastic, but when you do that somebody is going to get hurt, and you are not going to get this thing straightened out until somebody is hurt.

The bill we have before us today undertakes to cut down the production in acreage by 25 percent. That sounds fine; that ought to reduce the surplus; but after they do that the bill turns around and gives them back one-third of the wheat in kind that they would have raised on the 25 percent if they had planted it in wheat. In other words, we take away from them with one hand and give back to them with the other. I do not think that is going to help the program very much.

Those of us who represent farming areas, and I do, like to have a nice juicy parity, but you can get it so juicy and you can get it so high, and you can make it so costly that the country is going to get saturated with farm programs, and the first thing you know we are all going to be swamped.

The time has come to do something sensible about this thing and realize that we cannot continue to hold up prices, and pile this stuff up in surpluses. I speak as coming from a farm area, and my district is composed of 20 farming counties. I think that parity is too high. I think you are doing too much to encourage people to raise the wheat they might not otherwise raise.

Another thing about it is that we cut the 15-acre boys back to 12 acres, and it seems that they are not entitled to any voice on what shall happen to them in this market. That does not sound very democratic to me.

I think that if you are going to pass this bill at all you ought to cut out this gift; cut them 25 percent and make it stick; do not give back to them with the other hand this 33½ percent of what they would make on the land they did not plant. I do not like to have to tell my farmers what they have got to do. They are not accustomed to that. I do not think anybody else likes to be told.

I might say in conclusion that the Rules Committee decided we would bring it out here and let everybody take a crack at it, listen to all these different programs and see if something can be worked out, but I admit to being very pessimistic.

I feel, however, that we ought to pass this rule and let the House discuss this matter freely because there are a great many people who are very much interested. If you do not do something a lot of people are going to get hurt, because the country is going to get tired of supporting this kind of program; and if you do do something, somebody is still going to get hurt. So I hope you pass the rule and give everybody a chance to be heard.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Virginia has explained fully and well the provisions of this rule. It makes in order the consideration of the so-called wheat bill, H.R. 7246, under 3 hours of general debate and an open rule.

I listened with a great deal of interest to the remarks made by the gentleman from Virginia as to the attitude of the Rules Committee in permitting this bill to come to the floor for consideration and determination of what should be done with this measure. The fact of the matter is that the sponsor of the bill before the Rules Committee, the chairman of the subcommittee of the House Committee on Agriculture, frankly advised our committee that nobody that he knew of was for this bill, that he did not know of a single farm organization which is supporting the measure and that he did not know very many farmers that were for it, but that this was the best bill that the committee could bring out under the circumstances.

I listened with a great deal of interest to the statements made by the subcommittee chairman before the Committee on Rules and statements made by others, and I find myself in full agreement with the statement made by the chairman of the subcommittee, that this is a bill that no one is really for, or can be for, or should be for.

I have not been able to find anybody anywhere, either on the House floor or elsewhere, who is very enthusiastic about this measure.

The truth about this bill is it is a big wheat producers' bill. It is a bill that will take care of the big boys in the wheat-production business at the expense of the little fellow. It is a bill that will take care of the great wheat ranchers in a few of the Western, Southwestern and Northwestern States where many years ago, during World War I, a number of rich men got together, at the request of the Government I may say, and purchased or rented huge tractors and plows, and went out in the spring-time and plowed under the buffalo grass on the plains, thousands and thousands of acres of it, and planted wheat. Then



they went back home and waited until harvest time came, when they sent out the big tractors and the big harvesting machines and worked up from the Southwest, on farm after farm, or ranch after ranch, thousands of acres after thousands of acres, until they finally reached Canada and the northern wheat-producing areas. Then once they were through and certainly ever since we have had this farm program, a great many of them sold their wheat to the Government through loans never repaid and went to Florida for the winter.

So, as a result, we have been reading newspaper reports and stories about how this particular farm operator or wheat farmer, or that particular wheat farmer, some of them in Congress, some out of Congress, received thousands of dollars, and sometimes millions of dollars, either for not producing wheat or for producing and selling wheat to the Government through putting it in warehouses—warehouses, in many instances, that these very same individuals owned and rented to the Government, at 14 cents a year per bushel for taking care of the wheat.

This bill is one that would cut, supposedly, wheat production by the big fellows 25 percent, and by the small wheat farmer, who plants 15 acres or less, 20 percent. But there is a little rinkus-dinkus in this measure you ought to look at. After they make the 25-percent cut in the amount of wheat grown—and some of these wheat ranches or wheat farms are as extensive as 40,000 acres—this bill would give back to these same people, in kind, so much wheat, 30 percent of the cut, which means, of course, that actually the reduction in wheat acreage for the big fellows will be only 17½ percent and not 25 percent. Get out your pencil, and look up your arithmetic, and you can figure that one yourself. It is in this bill.

What else will it do? This measure would continue to disenfranchise and take away from the little wheat producer, 15 acres or less, his right to vote, his right to participate in the referendum to decide for himself whether he wants to come under this kind of an arrangement or not. Of course, it would not take away from the big wheat farmers, the big producers, the people who have really created these huge surpluses, and have received the great sums of money, as I mentioned, either for not raising wheat, or for raising it and selling it to the Government, their right to vote. It will continue to take away the right of the little fellow to vote, however.

I would like for you to read the report on the wheat program for 1960 and 1961, that accompanies this bill, and the minority report or reports contained therein. There are several minority reports, by the way. All of the minority members of the committee, except one, signed the minority views in the report.

I am especially proud of the fact that the gentleman from Ohio, a newcomer in Congress and a new member of the Agriculture Committee, Mr. LATTA, the last man on the committee, by the way, made additional minority views public. You will find them on pages 31 and 32.

He points out, very effectively and very ably and very well, just what happens to the little wheat farmer under this bill.

I want you to remember, before I read some of these figures to you, that in States like Ohio, Indiana, Pennsylvania, Virginia, and many of the other States of the Union, we have small farms, family-sized farms. We do not have these huge ranches, these huge expanses of farmland like they have in certain sections of the country, on which they grow wheat. The wheat in these States has been and is being produced primarily for two reasons: one, to furnish feed to be used on the farm, perhaps in poultry raising and things like that; and, second, as a cover crop, in the rotation of crops in the small farm operation, so as to have a crop rotation every 3 or 4 years.

But, let us look at this schedule on page 32, if you will, for a minute, to see how unfair this bill is to the little farmers that most of us here represent. Let us take, for instance, my own State of Ohio. If you will look at Ohio, in the second column on page 32 of the report, you will see that 127,916 farmers out of a total of 157,516 would, by this bill, be barred from voting in any wheat referendum. That amounts to 81.2 percent of the farmers in Ohio would be disenfranchised under the provisions of this bill as far as any wheat referendum is concerned.

Then, let us take the State of North Dakota. That is a good State, and I like the people in it. It has 72,290 farms, large farms in most instances, and only 3,698 of their 72,794 would be disenfranchised. Only 5.1 percent of the farmers in North Dakota would be barred under the provisions of this bill from voting in any wheat referendum. As far as wheat production is concerned, the farm people of Ohio would not be on an equal basis.

Let us take Indiana, for instance. There is a good State. I am sure the gentlemen from Indiana, the Members in this House from that great agricultural State, will be interested in these figures. They have 123,500 farms in Indiana; most of them small farms, or family-sized farms around 160 acres. Of those Indiana farmers, 100,294 would be barred or banned from voting in any wheat referendum under the provisions of this bill; 81.2 percent of the farmers in that State of Indiana, the Hoosier State, would have no right to participate under this system or to say whether they wanted this sort of arrangement or did not want it.

Let us take a look and see what we can find on the list down here below Indiana. Here is Kansas with 138,991 farms, of which 41,365 would not be eligible to vote. Practically 100,000 could vote, most of them large farms; 29.8 percent only would be barred from voting, yet in Indiana, I say again, 81.2 percent of the farmers would be barred from voting in a wheat referendum.

Let us look at Virginia, where they have 48,892 farms; but 44,947 of your Virginia farmers could not participate in this referendum, or 92 percent would

not have the right of sovereignty, to vote in this wheat referendum.

Let us take Wisconsin. It, too, is a very good farm State, by the way. They raise wheat in small amounts to get feed for their chickens, and also as cover crops. Wisconsin has 13,990 farms; 13,606 of them, all but 384, would be barred from participating in this referendum under the provisions of this bill; 97.3 percent of the farmers of Wisconsin would be disenfranchised.

I do not believe the people in these States can stand by and support legislation of this type.

Let us take Oklahoma. That is a good State. Only 36 percent of their farms—and they are large farms, mostly, down there—would continue to be barred from voting in the wheat referendum.

Let us take Illinois. In Illinois 77.6 percent of the farmers would be barred from participating in the wheat referendum.

I say to you who represent these small farm States, where the wheat crop is not as important as it is in some other areas, that you had better take a second look at this bill. There is an argument of course, and a difference of opinion as to what this bill will do or what it will not do. If I recall correctly, the sponsor of the bill when he appeared before the Committee on Rules, told us it would probably save considerable money—what was the figure? \$240 million or something like that. On the other hand, other members of the same committee advised us that passage of the bill would mean an additional cost to the Federal Government of \$110 million per year.

I am a farmer, or a farm operator, myself. I think we have to have some sort of a workable farm program if the farmer is to compete with industry, with business, and with organized labor in these modern times. But what I fear is that we will continue to enact this kind of legislation, or to increase the support price for many of these crops, and continue to build up such great farm surpluses, for I have noticed, being a farmer and a farm operator myself, that when you reduce acreage a bit, most farmers just plant their best land, and fertilize it a little heavier and wind up with just as much production in the end as they had before, that unless we enact a workable wheat program, unless we do something to cut down these huge surpluses and these great expenses, and do it on a fair and equitable basis, so that all the farmers in America, regardless of the size of their farms, or the amount of wheat they may produce may participate in the wheat program and in the referendum, that in the end the public will be so aroused the Congress may eliminate all farm legislation, and agriculture generally will suffer, and will pay the cost of our foolishness.

Mr. Speaker, I understand there will be certain amendments offered in the House. I am sure there will be a great many of them. I am convinced, from what I heard in the Committee on Rules, and from conversations I have had on the floor, there will be considerable discussion and argument be-



fore this bill is finally approved in one form or another, or is rejected.

But it seems to me, if we are going to enact any farm legislation we should give consideration to those amendments which will protect the right of the little farmer in America. I have heard a great deal of discussion on this floor of the House, and in fact I have seen a great deal of blood spilled from bleeding hearts, right here in the well of this House, for the little man in America. Here is an opportunity to do something for the little farmer; to protect his right to plant at least 15 acres of wheat if he wants to do so, to keep his crop rotation, to protect his right to produce grain on his own farm, if he consumes it on that farm, and does not put it into interstate commerce, or up for national or international sale. I hope some sort of amendment of that type may be worked out.

Mr. Speaker, I think we have to hold down the support price, fixed for wheat, to a reasonable figure so we do not encourage the additional fertilizing of wheat land and additional increased production.

After we get that production this bill would give back nearly one-third of it to the farmer that raised the wheat. So actually the reductions of wheat produced carried in this bill are only relatively slight, and will be overcome by the increased production through heavy fertilization and the usage of the best land.

Mr. Speaker, I have completed my statement, and I am now glad to yield to the chairman of the subcommittee, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, the gentleman has made quite an argument about this bill disfranchising a number of farmers. The truth of the matter is, and this applies to all farm programs, that only those who are subject to marketing penalties are allowed to vote. This bill brings 94,000 more farmers under marketing penalties than under existing law. The truth of the matter is that if this bill passes there will be 94,000 more eligible voters than there are today.

Mr. BROWN of Ohio. That may be the opinion of the gentleman from Oklahoma, for whom I have the greatest respect; but it is not the opinion of other members of the committee. It certainly is not my opinion from reading the record, and it is not my understanding from the testimony that was given before the Committee on Rules by the gentleman and others.

Mr. QUIE. Mr. Speaker, will the gentleman yield so that I may ask the chairman of the subcommittee a question?

Mr. BROWN of Ohio. I should be glad to yield to the gentleman for that purpose.

Mr. QUIE. I ask the gentleman from Oklahoma [Mr. ALBERT], is it not true that the people who have reduced their acreages from 15 to 12 will not be able to vote in the referendum this year because of the wording of an amendment to the present law which came in from a past committee, and which wording was not changed?

Mr. ALBERT. Under the basic law they are eligible to vote. The first year it may be that some will not be eligible, but so far as I am concerned, if that is true it is the intention of the subcommittee, and the gentleman knows it, to enfranchise every grower who is subject to marketing penalties. That has always been the law and certainly we intend that that continue to be the law.

Mr. QUIE. It might be that that was the intention of the subcommittee, but actually this bill does disenfranchise those new people who come under quotas this year by denying them the right to vote.

Mr. ALBERT. It does not disenfranchise any of them. It makes all of those who are subject to marketing penalties eligible to vote under the basic law. If there is some gimmick in this bill that would postpone that for a year, then that is a different matter and it should be corrected.

Mr. BROWN of Ohio. Mr. Speaker, I regret I must decline to yield further for this discussion, to say that I do not question the gentleman's good intentions, that is, the good intentions of the chairman of the subcommittee, but I cannot help from being reminded of a certain place I hope I never see, that is supposed to be paved with good intentions according to the Holy Book—and good intentions are not enough so far as this legislation is concerned. As I read this legislation and as other members of the committee read this legislation, you do disenfranchise these farmers who go plant 15 acres or less of wheat under the provisions of this bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JONES of Missouri. I merely want to ask the gentleman from Ohio for his interpretation of the word "disenfranchise". In other words, if a person is not voting now, would you be disenfranchising him if he is not voting again? You are not taking anything away from him.

Mr. BROWN of Ohio. It is rather peculiar that this Congress which has gone so far to make certain that all Americans have the right of franchise in general elections should not also go so far to see to it that a great many Americans, who happen to live on small farms, have the right of franchise the same as any other individual.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. POFF. Mr. Speaker, I shall support the so-called Belcher substitute to H.R. 7246. I do so, not because I entirely approve every provision of the substitute or because I disapprove every provision of H.R. 7246, but because in balance and overall I consider the substitute the better of the two.

Specifically, I disapprove the provision in H.R. 7246 which reduces the 15-acre exemption to 12 acres and I disapprove the provision in the provision in the substitute which eliminates the exemption altogether.

I am convinced that a repeal of the current 15-acre wheat exemption would work a great hardship on, first, the small

farmer; second, the small businessman who mills the wheat and processes the flour; and, third, the wheat and flour consumer.

Let us consider a few indisputable facts and figures:

First. Sixty-three percent of the Nation's wheat farmers are located in the soft wheat area—the region east of the Mississippi River.

Second. Sixty percent of the soft wheat crop is grown on farms with allotments of 15 acres or less.

Third. Soft wheat—used primarily for flour in commercial and home bakeries—is not in surplus. Between 1948 and 1957 soft wheat averaged 17 percent of total wheat production but only 4 percent of the national carryover, and at the close of the 1957-58 crop year, the carryover was less than 1 percent of the national total. Only 9 percent of the 1958 crop in the soft wheat area was put under the price support program which proves that supply and demand are almost in balance.

Fourth. Farmers in the soft wheat area plant wheat for one or a combination of three purposes: (a) To complete a proper crop rotation schedule, (b) to provide for on-the-farm consumption of food, seed, or livestock feed, and (c) to produce a readily marketable cash crop. Accordingly, since soft wheat has a special, almost exclusive consumer use, it does not displace other types of wheat from the domestic or foreign markets in any appreciable degree, and since supply and demand are so nearly in balance and do not materially add to the overall surplus problem, the 15 acre exemption should be maintained.

The foregoing facts and figures pertain to soft wheat generally, including both red and white. With respect to soft red wheat, the case for maintenance of the exemption is even stronger. On occasions during the last 2 years, there has been an actual shortage of soft red wheat, so serious in nature that the Department of Agriculture was compelled to restrict exports under Public Law 480. This is of particular concern to me inasmuch as Virginia is one of the 10 principal producers of soft red wheat.

Mr. Speaker, the entire agriculture program, formulated during the war emergency, has consistently discriminated against the small farmer in the East in favor of the big farmer in the West who tills thousands of acres of level land with highly mechanized equipment and sells—by loan forfeiture or otherwise—thousands of bushels of grain to the Federal Government where they rot in warehouses at a storage cost of nearly a billion dollars a year. Over the years, this discrimination has increased. In 1939, Virginia's share of the 55 million acre wheat allotment was 482,719; today, it is only 259,999, representing a cut of 46.1 percent. By comparison, the wheat allotment has been increased for Michigan 46.5 percent, Utah 49.5 percent, New Mexico 52.1 percent, and Colorado 105.2 percent.

To repeal the 15 acre exemption would be to continue and aggravate this history of discrimination against the small farmer. Surely, this Congress will not



thus add to the burden of the family-type farm.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, I want to make a very brief statement. The President of the United States sent about seven messages to the Congress asking that something be done for the wheat which all admit is our No. 1 farm problem. The committee has acted to do something for wheat. The gentleman from Ohio has mentioned that there are several amendments to the proposed bill, and thereby we will have an opportunity to exercise the will of this body. For that reason, I think anything we do here will not make the condition any worse than it is now and the quicker we adopt this rule and get into a debate on the facts rather than a misstatement of some of the facts, the earlier we can reach agreement on what needs to be done. I would like to see us vote on this resolution right now.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(By unanimous consent, Mr. McCORMACK was given permission to proceed out of the regular order.)

Mr. McCORMACK. Mr. Speaker, I rise at this time simply for the purpose of having the record clear in relation to the very friendly and very mild colloquy that occurred between my dear friend, the gentleman from Indiana [Mr. HALLECK] and myself the other day. The gentleman from Indiana later made some remarks to the effect that he had the debate on the railroad retirement bill carefully examined and he could not find anything in the RECORD by any Republican Member either directly or indirectly in relation to a veto. Mr. Speaker, I, personally, have examined the RECORD myself.

On page 6638 of the RECORD for April 29 a Republican Member was addressing the Committee of the Whole and he said:

Moreover, rumors are extant to the effect that the adoption of those amendments on the floor would ultimately kill the entire bill unless those amendments collectively became a substitute for, instead of additions to, the committee bill.

He was talking about amendments of his own—

The bill would be entirely killed.

If it passes both branches that means that the bill has to be vetoed before it would come back to Congress in connection with Congress acting upon a veto of the President. In this case he went even further than veto and said it would be killed. The threat of veto can be direct or indirect.

I will not in my remarks mention the name of the Republican who made that speech, but his remarks will be found in the first column of page 6338 of the RECORD of April 29.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. McCORMACK. Surely. I have a few others here, you know.

Mr. HALLECK. What is that?

Mr. McCORMACK. I have a few others.

Mr. HALLECK. I understand, but on the railroad retirement bill the remarks to which the gentleman refers were made by a gentleman on our side who favored the substitute against the committee bill. If there could be any danger of a veto it was with respect to the substitute and not the committee bill. If the gentleman would read all the remarks he would discover that the gentleman who made those remarks which the gentleman read was speaking about amendments that might be offered to the committee bill if the substitute were not adopted, and that it would be highly speculative as to what amendments to the committee bill might have been adopted. He refers to the snarl that would ensue. I suggest to anyone looking at the RECORD, read the whole record of the speech made by the gentleman and I do not think he would reach the conclusion that there was any threat of a veto.

Mr. McCORMACK. I called the attention of the gentleman from Indiana to the RECORD the other day and gave him advance notice. I say that anybody can read the RECORD and form his own interpretation of just what was said.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I did not even mention the gentleman's name.

Mr. POFF. I did not say the gentleman did, but I asked the gentleman if he would yield?

Mr. McCORMACK. Certainly I yield.

Mr. POFF. I would like to say for the benefit of the membership, especially if they will read the page of the RECORD to which the majority leader has referred, that in no respect did the gentleman from Virginia intend to convey the thought that a veto had been threatened or possibly would be threatened.

What the gentleman from Virginia intended to say was exactly what he did say, and any person who reads those remarks objectively cannot fail to agree that I had reference to those amendments which might be offered and adopted in the event the substitute was not previously adopted, and unquestionably if such amendments had been adopted in such manner the bill would have been killed entirely.

Mr. McCORMACK. I will accept the gentleman's clarification and apology.

Now, in relation to the housing bill, if any Members are interested they can obtain the RECORD of May 19 and on page 7626 they will see where one of my dear and beloved Republican friends, one whom I admire very very much said:

And without quoting the President, let me say this: I am convinced in my own mind, from things that have been said to me, and from conversations I have had with others, that if the so-called Rains bill is adopted as is, with a public housing provision which will cost some \$3.5 billion over the next 45 years, the bill will not become law.

If Members are interested to go back, let them get the RECORD of May 20 and

look at page 7791—and again notice I do not mention at any time the names of any of my Republican colleagues because I respect them and I have too much decency to do so. They will find on page 7791 a statement made by a distinguished Member of this body close to and who has the ear of the President, in which he said:

I do not believe the committee bill will ever become law.

He also says:

I am convinced that the substitute bill will become law and become law quickly.

Well, I do not know what construction you will place on that, but clearly that is the threat of a veto.

Again we come to the Federal airport bill, and if any Member is interested he may look at the RECORD of March 19 and turn to page 4175 where the remarks of one of my Republican friends appears in which he said:

I personally am convinced that the committee bill will not meet with the President's approval and, therefore, cannot become law.

I think I am capable of understanding and interpreting language and words that are said. I just simply take the floor to have the record clear, particularly when my dear friend and Republican leader took the floor and said that there is nothing in the railroad retirement debate to that effect. I have shown what was in there, coming from a Republican source.

As a result of the friendly colloquy we had the other day and the impersonal remarks I am making on this occasion, I hope that on any bill coming up in the House for the remainder of this session and for the next session we will not from any responsible Member on the Republican side—and they are all responsible in my opinion—hear the threat of a veto in the event of the bill before the House passing the House and being enacted into law by both branches and going to the President.

The atmosphere of the House is clarified and cleansed to that extent.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, in view of the exchange between the gentleman from Virginia [Mr. SMITH] and the gentleman from Ohio [Mr. BROWN], in respect to remaining speakers and the time that would be used, and in view of what I understood to be the statement of the gentleman from Ohio that he would have only one further speaker or that he did not have any, may I ask, Is the gentleman from Ohio precluded at this point from yielding to me?

The SPEAKER. The gentleman from Ohio said, as the Chair understood him, that he did not have anyone else to yield to. Whether he said "at that time" or not, the Chair does not know.

Mr. BROWN of Ohio. I said I had no requests at that time.

The SPEAKER. The Chair accepts what the gentleman from Ohio states, and if the gentleman desires to yield, the Chair will recognize him to do so.



Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any other statements heretofore made—and I do not remember what they were—that the gentleman from Ohio [Mr. BROWN] may yield.

The SPEAKER. The Chair has just stated that the gentleman from Ohio may yield some time.

Mr. BROWN of Ohio. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from Massachusetts said that this was all friendly, and it is.

I got into the matter the other day not because of any general statements that were made, although I might have been motivated by some remarks that were made and because some pretty harsh language was used about threats of a veto and attempts to blackmail the Congress and intimidate the Congress. I got into it only because I was quite sure that no threat of a veto had been made in respect to the railroad retirement bill, and I particularly wanted to keep that record clear, because there was very definitely an implication, if not a direct statement, that a determination which had been made to veto the bill was subsequently abandoned because there were not enough votes to sustain a veto. Not only was this not the case, but as I pointed out to the House on a previous occasion, I personally told the President that if he decided to veto the railroad retirement bill, in my judgment, there were enough votes in the House to sustain such a veto.

I did have the RECORD checked. The statement to which the majority leader refers came from the gentleman from Virginia, and if you will read it all you will see he was for the substitute bill and he wanted it adopted. He did not want the committee bill adopted. The argument that he was making simply was "if you do not accept the substitute," and, of course, we did adopt the substitute, the Committee immediately rose, and that was the bill. The argument he made was—and I have heard it made by many Members here—that if you started with a long series of amendments on the committee bill, it probably would wind up in a snarl—and I think he used the word "snarl"—that would result in no legislation at all. Now, I did not read any threat of a veto, and the gentleman from Virginia says he undertook to make no threat of a veto because he wanted the substitute adopted as against the committee bill, and would have been the last person in the world to suggest the possibility of a veto.

Now, in respect to vetoes, let me say that once upon a time I was called to the White House by a former President, along with other leaders here, and was told directly that if a bill was passed here, it would be vetoed. Now, I did not resent that. I think it is important that we fully understand what our obligation is. The veto is provided for in the Constitution of the United States. It is a part of the legislative process. It is a part of our system of checks and bal-

ances that has worked so well throughout all of the history of the Republic.

Now, a veto can be overridden by a two-thirds vote. In the 80th Congress we overrode two of President Truman's vetoes, the Taft-Hartley Act and the tax reduction bill, and we did not have too many Members then. I did not resent the fact that those bills were vetoed. That was the President's right. I well recall that during the years the people on the right-hand side of the aisle have presented from time to time measures that were not considered proper or right by the administration. Now, I do not think there is anything wrong about that. I do not believe it ought to be a matter of dictation. And, may I say to you that I do not believe the veto should be used just to be vetoing things, because that is not right. It ought to be used as sparingly as possible, and because it ought to be so used there ought to be a great burden on the Congress of the United States to see that legislation is kept reasonably in line so that it will not be necessary to exercise a veto. As a matter of fact, after the state of the Union message comes down, various other messages are received from the President of the United States and recommendations are made by the departments which state the President's position. That has always been done. Certainly that carries with it, I suppose, some implication that if the legislation is passed to which objection is made, it will not be satisfactory and the veto might be exercised. Well, do we not always legislate in the light of that indication of the position of the Executive? And, I do not see anything wrong about that. I would say certainly no threat of veto should be loosely thrown around here on the floor to try to intimidate anybody. It is the job of the Congress of the United States to legislate the way it sees fit, and I grant that to the majority and the minority as well. But, at the same time, as we legislate, since we must recognize that the Chief Executive is a part of the legislative process under the Constitution of the United States, there is nothing wrong in undertaking to find out what may transpire. As far as our President is concerned, he has never announced, so far as I know, a definite commitment as to what he would do in respect to a veto, and I think that is the way it ought to be.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman from Massachusetts [Mr. McCORMACK], the majority leader, in referring to a statement made in connection with the consideration of the rule on the housing bill, I think was quoting from that which I said. Now, the gentleman from Massachusetts is noted for his fairness and his impartiality, and I am sure he would not want to give the wrong impression to the House, in commenting on the statement I made, because he read at the very beginning where I stated that I did not speak for the President and did not know what action would be taken, but from

conversations that I had I was convinced that this bill could not become law, that is, the housing bill, with the public housing feature in it. Now, I was expressing my own conviction. And, when we reach the point in the Congress of the United States that a Member elected by the people cannot rise in this forum and express his own convictions on a bill without having them misinterpreted, we have indeed reached a sorry and a sad state. Now, let me say that I am still convinced and I still have the conviction that the housing bill as it passed the House, with the public housing feature in it, should be, and I hope will be, vetoed by the President of the United States.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7246, with Mr. EVINS in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I think perhaps every man and woman in this House realizes the importance of the subject which we are now about to discuss. Our Government now has invested in wheat approximately \$3 billion. We have given to the Secretary of Agriculture every authority he has requested us to confer upon him, and we have given him all the money and manpower that he needs to dispose of our vast stores of wheat if, indeed, this can be done. We have authorized him to sell this wheat for dollars in the markets of the world. We have authorized him to sell it in foreign countries for foreign currencies. We have authorized him to barter it away in exchange for strategic materials needed in our own economy. And we have authorized him to give it away to needy people in the world. And yet our problem is constantly being aggravated. We are piling surplus upon surplus and there seems to be no end in sight.

Unfortunately the Secretary has not been able to sell the commodity nor has he been able to give it away notwithstanding the fact that we have starvation rampant in many parts of the free world. We seem to regard starvation and hunger as something that is alien to America and to the free world, something that is found only behind the Iron Curtain. As a matter of fact we are told



that even tonight millions of people on our side of the Iron Curtain are going to bed hungry.

We have encountered a multitude of obstacles in the carrying out of this program. I am certainly not attaching all of the blame to Mr. Benson. Several times recently the President of the United States has called upon Congress to do something about the wheat program. As chairman of the Committee on Agriculture I appointed a very diligent and distinguished subcommittee, headed by the gentleman from Oklahoma [Mr. ALBERT]. For 6 long months, from January to June, this subcommittee of ours has worked long, hard, and faithfully, conducted extensive hearings and given consideration to every proposition that has been submitted to it. Even last year the gentleman from Oklahoma [Mr. ALBERT] led the subcommittee and they worked at that time in an effort to solve the problems that are involved in this great program.

The President in one of his messages—unfortunately I do not have it before me, but it is a recent message—pointed out alternative routes which we might take in dealing with the wheat problem. One route would permit liberal planting privileges with lower price supports which the Secretary of Agriculture thinks will tend to decrease production. That is one road that the President opened up as a possibility. But all of us who have been in Congress and have watched these programs in operation know that the solution to the wheat problem will not be found merely by giving the farmers of America back their freedom to plant unlimited acreage of wheat, nor will the problem be solved by lower price supports. Invariably, when farmers have been given lower price supports and lower prices in the marketplaces they have increased their volume of production, thereby aggravating the surplus situation.

We hear a lot of talk about giving the farmers their freedom. I look forward to the time when the farmers of America can go forth in the spring and plant freely and harvest abundantly and market profitably. But I know that freedom for the farmers now would be only freedom to bury themselves beneath the huge surpluses that have already been accumulated.

Freedom would mean only freedom to produce themselves into bankruptcy. The other road opened up to us by the President is strict control—regimentation, if you please. And he suggests that this route might have merit in making an emergency adjustment. Now, that is what we have. We have an emergency and we need to make an emergency adjustment. That is what this committee bill does. It is a bill that will be in operation only for 2 years. It does provide strict control. But, it also provides some inducement, which might persuade the farmers of America to reduce their acreage. Without going into the details, I do commend to your consideration the brief statement and analysis contained in our report. I hope also that every Member of the House will listen carefully to the gentleman from

Oklahoma [Mr. ALBERT], the distinguished chairman of the wheat committee who has worked so long and so hard trying to bring before this House legislation which we believe will do the job that needs to be done—to do the job that must be done or else this farm program will collapse of its own weight and plunge agriculture and the Nation into an economic depression, the magnitude of which we have never before seen in America.

Mr. HOEVEN. Mr. Chairman, I yield myself such time as I may consume.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, first of all let me pay my respects to my very good friends and colleagues, the gentleman from Oklahoma [Mr. ALBERT] and the gentleman from Oklahoma [Mr. BELCHER], who have worked long in trying to help solve a very aggravating situation. I am one of those who have said I do not think there is a real solution of the wheat surplus problem. So we enter this debate with not much background except realizing that we do have a problem and we have been groping for a solution. I have here an item from the ticker tape as follows:

The Agricultural Department today estimated the 1959 wheat crop will total 1,181,596,000 bushels.

That would mean a carryover of from 130 million to 150 million bushels.

Following that announcement, here is another item from the ticker tape stating that India has just announced their wheat production for this year will be much higher than was estimated. So this is a most controversial piece of legislation. The minority report indicates that this is controversial. Of the 12 minority members, 11 signed the minority report in one form or another. I think we set up two criteria in trying to express our views. First, that any new legislation in this field should be in the direction of cutting down the wheat surplus and, secondly, the proposed new program should cost less than the present program. In the estimation and in the judgment of the minority, the bill before us does not meet either one of these standards.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. HOEVEN. I yield to the gentleman for a short question.

Mr. JONES of Missouri. Does the report of the majority indicate that both of those requirements have been met?

Mr. HOEVEN. Well, that would naturally follow. That is why we are in disagreement.

Mr. JONES of Missouri. In other words, the majority felt that we had met both requirements.

Mr. HOEVEN. I am talking about the minority views.

No one seems to be for this bill. The chairman of the subcommittee, my very good friend the gentleman from Oklahoma [Mr. ALBERT], has frankly said publicly that he does not think this is a good bill, and he does not think the wheat farmers are going to approve of it.

There is no clamor for this legislation; there is no one standing on our doorsteps insisting that we enact this legislation.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ALBERT. My friend is being a little liberal in his interpretation of what I said.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. EDMONDSON. Did the gentleman say there was somebody clamoring to the committee that something should be done with the wheat surplus?

Mr. HOEVEN. Certainly they were clamoring about what should be done with the wheat surplus.

Reference has been made here to the President's messages to the Congress on other occasions, and that is true. The President realizes that we have a very grave situation and he has called upon the Congress to do something about it. But let me refer to the last message, that of May 13, 1959, where the President said:

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing issue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

So in creating a program we have got to meet it squarely and resolutely and not present legislation here which does not meet the problem.

The farm organizations are not clamoring for this legislation, with one exception I believe. The American Farm Bureau is not for this legislation. I do not find the Grange very vociferous. The Farmers Union has expressed some interest in the legislation.

The wheatgrowers of this land are not clamoring for the legislation. They are very much in disagreement. They cannot agree amongst themselves. And so we are considering a bill which is being presented because a request has been made that the Congress do something about it.

Mr. Chairman, the wheat problem facing us today is one of tremendous magnitude. The President has emphasized its gravity. Our present carryover of wheat is approximately 1.3 billion bushels. This huge wheat carryover will rise to almost 1.5 billion bushels by June 30, 1960. This gigantic surplus is about three times greater than the annual U.S. consumption as food. By June 30 of next year the total CCC investment in wheat will be about \$3.5 billion. It is estimated that we are now spending nearly \$400 million in fiscal 1959 on storage, interest, and transportation costs for wheat alone—over a million dollars a day. Unless something is done, we will spend almost half a billion dollars on wheat storage, interest, and transportation in fiscal 1960. During



the fiscal years 1954-58, the next realized cost for wheat amounted to over \$2½ billion. This is about 30 percent of the cost for all commodities although wheat represents only 6 percent of cash receipts from sales of all agricultural products. If no change is made in the present program, these high costs and added surplus—at a rate of about 200 million bushels per year—can be expected to continue.

Under present law, if marketing quotas are approved in the national referendum, price support on wheat will be made available in 1960 to cooperators—that is, those farmers who stay within their assigned acreage—at not more than 90 percent of parity nor less than 75 percent or parity, according to the relationship of the total supply of wheat to the normal supply. If producers turn down marketing quotas, the level of support drops to 50 percent of parity. In States outside the commercial wheat-producing areas, the level of support for cooperators is 75 percent of the level to cooperators in the commercial area. The current level of support in the commercial area is 75 percent of the July 1, 1958, parity or \$1.81 per bushel. Next year it will be about \$1.78 per bushel. The minimum national acreage allotment is established at 55 million acres under the Agricultural Adjustment Act of 1938, as amended. There are two exemptions in the present law. The first is a marketing quota of 15 acres and the second is a wheat-for-feed exemption of 30 acres. The owners and operators on farms which are under these exemptions are not eligible to vote in the national referendum. The penalty for overplanting at present is based on the normal yield of the farm marketing excess times 45 percent of parity.

In order for us to begin to solve the wheat problem, three criteria must be met. First, will the proposed legislation reduce the surplus? Second, will it cost less than the present program? And third, will it be of ultimate benefit to farmers?

I contend that H.R. 7246 fails to meet these essential criteria and therefore it should be defeated. If I may, I would like to examine this bill on the basis of its effectiveness, its cost, and its ultimate harm to farmers.

This bill has come to us today with very little, if any, enthusiastic support. There is no clamor for its enactment. Just about everybody can find some basis to oppose it. It is not a solution for either the farmer or the taxpayer.

In the first place, the bill is not effective. It attempts to decrease the production of wheat by cutting back on the acreage wheat farmers are allowed to grow. Our agricultural history points out most clearly that a cut in acreage simply does not result in a proportionate cut in production. Even the most optimistic proponents of this bill contend that a 25 percent cut in acreage would result in only a 20 percent cut in production. The Department of Agriculture conservatively estimates the reduction in wheat output would probably be less than 15 percent. Other experts predict only

a 7 percent cut in wheat output under this bill. Of course, no one knows what the reduced output would be. A change in the weather could make any of these expert estimators look extremely wise or extremely foolish. However, common-sense and experience should tell us that when you raise the support price—and this bill raises the support price to 90 percent of parity—that you are creating an incentive price which encourages the flow of new capital and stimulates new technology in the art and science of raising wheat. At \$2.13 per bushel, which is 90 percent of parity, every farmer who is eligible to do so will raise all the wheat he can. Farmers are the shrewdest business men in the world, bar none. Their outstanding record of production proves it. Under this bill the acreage left in wheat production will be that of above average potential. Farmers will not cut their best acreage. Under the high rigid support price, farmers will strive for higher per acre yields. We have already seen dramatic results in this area. In 1938 the average yield per acre of wheat was 13.3 bushels. The yield per acre during each of the 10 years 1947 to 1956 averaged 17.7 bushels. In 1957 it was 21.7 bushels per acre and in 1958 it was 27.3 bushels per acre. It is quite true that 1958 was an exceptional year for wheat production, but it can be readily seen that the upward trend in yields is steady.

There are some scientific explorations going on that will go beyond that figure. Can you imagine what kind of a wheat surplus we will have when we get into that kind of production and it is disclosed that farmers through their initiative and through their know-how can produce more wheat on less acres than ever before?

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Kansas.

Mr. AVERY. The gentleman from Ohio is discussing one of the key points of this bill, and I think maybe we ought to elaborate upon that at this time. Overall we are providing here an option to decrease the wheat acreage by 25 percent. Did I understand the gentleman to say that despite that 25 percent proposed reduction it was the opinion of the committee or possibly the subcommittee that actually we may have as much as a 20 percent reduction under comparable conditions in 1960?

Mr. HOEVEN. Twenty percent, and some estimate it might be less than that.

Mr. AVERY. That is the important thing. To me that is an extremely optimistic figure. If by a reduction of 25 percent we can get production of 20 percent, I could generate a little enthusiasm about this bill, but it is my opinion we ought to be talking about 10 percent.

Mr. HOEVEN. There are many experts who predict only 7 percent.

Mr. AVERY. Did the Department of Agriculture offer a suggested actual realized reduction in wheat production?

Mr. HOEVEN. We have information on that, and when I conclude my statement the gentleman from Oklahoma

[Mr. BELCHER], will take care of the details.

Mr. AVERY. I appreciate the gentleman yielding.

Mr. HOEVEN. Now, if I may continue, our wheat scientists have been instrumental in these increased yields and they are now experimenting with a variety of wheat which has yielded up to 100 bushels per acre. Some varieties yielding up to 60 bushels per acre are now being used. With the incentive level that this bill provides, who is to say that these new varieties will not be used. It is true we had some testimony to that effect in the hearings, but these dynamic varieties of wheat could very easily appear sooner than some people might think. Another factor which can disrupt the efforts of H.R. 7246 to cut production of wheat is increased irrigation in dry lands where wheat yields can be doubled and tripled when water is added to the soil. And let us not forget the increased use of fertilizer. On page 10 of the hearings held by the Wheat Subcommittee, Dr. Reitz, of the Agricultural Research Service commented on the use of wheat fertilizer as follows:

There has been during the last several years a considerable increase in use of fertilizer on wheat. This has, according to some experts, about reached a saturation point for many of the major areas. One of the limitations in further use of fertilizer is the inability of present varieties to respond favorably to higher rates of fertilization. There are some prospects in the future for this limitation in varieties to be removed with the expectation that fertilizer response might then be greater than it has been.

In other words, Mr. Chairman, the potential for increased fertilization is a real and significant factor and cannot be lightly dismissed.

There are several other facets of this legislation which make it ineffective. These unsound and unfair provisions include the section on payments in kind, which in my judgment, is administratively impossible, and the section dealing with the right to vote in the national referendum. I am sure that these and other defects will be thoroughly discussed during this debate by the distinguished Members of the minority, so I will not go into each of them. I would, however, like to draw to the attention of my colleagues the effect that this bill will have on America's most important crop, corn. H.R. 7246 purports to control the acreage diverted from wheat under the required 25-percent acreage allotment cut. Some persons erroneously describe this provision in the bill as cross-compliance.

Mr. Chairman, there is neither cross-compliance nor effective control of these diverted wheat acres in H.R. 7246. If this bill is passed, we will simply be replacing wheat acreage with corn and feed grains. The only sanction or method in this bill for preventing a wheat farmer from raising all the corn or other price-supported crop is to deny him price support on his wheat. If he plants a price-supported crop, he would not even lose his price support on that price-supported crop. This loophole is



a serious one, Mr. Chairman. It is especially dramatic when we consider the effect of the recent \$50,000 limitation on CCC loans adopted by the House. The big wheat farmer is not going to comply with this provision of the bill. He is going to pass up the price-support loan on his wheat and sell his wheat in the open market which will be at a high level because of the 90 percent of parity support price. The market price would probably be around 95 percent of parity, because CCC cannot release its stocks for less than 5 percent above the current support price plus reasonable carrying charges. The final result would be many more acres of corn and feed grains would be harvested at a time when our feed grain stocks are in substantial surplus and we are facing the prospect of a 4-billion bushel corn crop in 1959.

In short, this bill just will not do the necessary job. By trying to travel in too many directions at the same time, this legislation is self-defeating. The bill fails miserably to meet the first criterion. Will it reduce surpluses? No.

The second issue of this bill is cost. The advocates of the bill claim it will save \$264 million a year. As pointed out in the minority report, we feel it will cost an additional \$110 million in the first year alone. We obtained our estimate from the Department of Agriculture. I understand the proponents of this bill obtained their estimate from the Library of Congress. Perhaps this accounts for the discrepancy. Personally, I feel that the professional and technical experts of the Department of Agriculture are better qualified and have broader experience than that enjoyed by the personnel of any other agency of the Government, bar none. I have the utmost respect and confidence in the ability of these dedicated servants of agriculture and the Nation and I will stand by them in their honest estimate of the cost of this legislation.

Mr. Chairman, here is why this bill will cost at least \$110 million a year more than the present wheat program:

First. The United States pays an export subsidy on every bushel of wheat that is sent overseas. This export subsidy represents the difference between the world price and the market price and at present is being paid in kind in wheat. As the support price rises, the market price rises. The increase in the export subsidy under H.R. 7246 would be about \$200 million. With the reduced production, it is likely that the export subsidy would average about 45 cents a bushel higher than in 1958-59. On the basis of exports of 450 million bushels, this would amount to about \$200 million.

Second. H.R. 7246 calls for payments-in-kind in wheat to farmers who cut down their wheat acreage by 25 percent. There is a cost here, first in the value of the wheat given away by CCC and second in administrative expenses incidental to such a program. The payment-in-kind program based on one-third the normal yield on 12½ million acres would mean the distribution of about 85.3 million bushels. These bushels will be sold in the free market and an equivalent amount will be acquired

by the CCC at the support rate of \$2.13 a bushel. This will increase costs by about \$180 million.

Third. The previous costs incurred would be offset to some extent by decreased production of wheat. It is estimated that under this proposal production will decrease by 150 million bushels. If we assume that the support price in the absence of this legislation would be \$1.80, the decreased cost will be \$270 million.

Thus when we add the increased export subsidy of \$200 million plus the cost of payment-in-kind of \$130 million, we arrive at a gross cost of \$380 million. After subtracting the estimated savings of \$270 million due to decreased production, the taxpayer is left holding the bag for at least another \$110 million. Since the parity formula is expected to rise, this cost would be even higher in the second year.

Fourth. Just under the previous items, the increase in the costs would be about \$110 million. In addition, there will be increased costs of an unknown quantity—possibly \$30 million—due to the diversion of about 1½ million acres of crops which would have been in wheat under the 15-acre exemption or other overplanting which will be diverted to other crops.

There are two main areas of cost where we disagree with the proponents of this bill. Advocates of this legislation are first of all assuming a greater cut in wheat production than seems probable. Second, they are placing a much lower value of the payments in kind. Personally, I feel that the Department's analysis is sound. It has been made by people who are qualified to do so. In short, this bill again fails to meet the second necessary criterion. Will it reduce costs? No.

The last, and most certainly not the least, standard we should examine is the effect of this bill on the wheat farmer. Is it good for him? If 90 percent of parity is good for the wheat farmer, why is it not good for the tobacco farmer? Just a few short hours ago we listened to some of the same people who are advocating this legislation ask the House to abandon 90 percent of parity for tobacco by creating, for all practical purposes, a 5-year ceiling price on tobacco price supports. The tobacco farmer is losing exports and he is facing another acreage cut under 90 percent of parity. Now we are told that the same bitter medicine should be applied to wheat farmers. How inconsistent can you get? In summary, Mr. Speaker, H.R. 7246 should be defeated because it fails to meet squarely and forthrightly the problem we are facing. It does not alleviate surpluses, it does not reduce costs and it is not in the long-range interest of the wheat farmer or of all agriculture. H.R. 7246 should be defeated.

Mr. COOLEY. Mr. Chairman, I yield 7 minutes to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, when I think of wheat, I think of a lifetime of wheat production. When I first started hauling bundles of wheat with a team of horses to a threshing machine in 1915, of

the tending and preparation of land with horses and horse-drawn machinery, I think of the First World War when I was too young to enter the service and I remember how the farmers of America were called upon to produce wheat and more wheat to feed ourselves and our allies.

I remember the twenties and the depression and loss of prices which we suffered in the early twenties. Then I too remember the good years of the twenties and then the collapse of our stock market in the fall of 1929. I also vividly recall the year of 1931, when we were doing most of the farming with modern machinery. Machinery that was bought on the basis of \$1 per bushel of wheat and wheat at that time selling for as low as 21 cents per bushel.

I remember very well the beginning of the farm programs and the saving of many farmers from complete bankruptcy. Then too, about this time began the drought years and no production, and 7 long years of no production even though the prices had become much better. I remember trying to raise my family of two sons and I had to do everything in the way of employment in order to find enough money to buy groceries to feed that family. Most of the farmers in my county went broke in the 1930's and had to leave and go to a city or somewhere where they could get groceries to feed the family. Too, I recall the clouds of dust that filled the skies for days at a time. No livestock was left. There were no crops.

Then later in 1940 the rains came, and close following came the last World War. The country that for many long years had been a desert now had turned into the garden spot of the world. Everything that was planted in the soil yielded a return in crops of some nature.

I remember well when the call to arms to defend the freedom-loving countries of this earth was announced, and in the following 2 years 16 young men left my ranch in Morton County, Kans., and went into the armed services, including my own 2 sons.

I remember well when Mrs. Breeding and I talked it all over and decided that we were not doing enough to help win the war, and in 1943 we went to our draft board and volunteered both our services for the Army. And do you know what the draft board's answer was? "Go on back home, Mr. and Mrs. Breeding, and grow wheat. This world needs more wheat and you can do more to help win this war growing wheat than anything else." So we did, and because of the shortage of labor we had to use every imaginary device we could think of to help produce. Therefore, because of necessity, we learned how to produce more with less help. We began to use more modern and up-to-date inventions and machinery. Prices were good, the costs of operation were moderate, taxes were not nearly as high as now, and profits were good.

Today, since the Korean war, things have changed. Costs of production have gotten higher and higher. Prices of equipment have skyrocketed until today the prices of machinery are nearly twice



as high as at the close of the Korean war, and wheat is cheaper.

The lessons that we learned because of war production have now made farming so efficient that we can produce more per man than ever before in history. We have continued to store our excess production in warehouses financed by CCC, until the whole farm program is doomed to collapse unless we do something to either find new uses and more uses of our excess. I am sure that we cannot afford to completely abolish our farm program, or many of our farmers will face bankruptcy. I am sure that more production at cheaper prices is not the answer.

I really believe that this bill, with tighter controls and increased price, will come nearer to solving our problems.

I doubt that many farmers, if left to choose between this bill and the present law, would choose this bill over the present law of 75 percent of parity and 55 million acres, but I also believe if they will stop to think, most of them will go along with this bill of lesser production if they can hold their income near its present level which this bill will do if adopted without any crippling amendments. It seems to me that in this bill the farmer is sacrificing part of his farm for 2 years—which no farmer wants to do—to help right a serious situation.

It also seems to me that the taxpayer of America is the one who profits most by this measure, since it saves \$528 million in 2 years time.

I would like to remind the Members in this Congress who represent industry and labor that farmers are important customers of theirs; that farmers and ranchers are among their biggest customers today. For example:

There are 12 million tractors, cars, and trucks on the U.S. farms. Agriculture buys more petroleum than any other industry.

Farmers provide a market for 6½ million tons of finished steel annually.

Rubber used on the farms of America would put tires on nearly 6 million automobiles annually.

Sixteen percent of the gross freight revenue is from agricultural products.

Agriculture consumes 50 million tons of chemicals each year.

Agriculture uses more electric power than Chicago, Detroit, Houston, Baltimore, and Boston combined.

About 10 million persons actually work on the farms of America.

In the total agriculture economy, about 25 million workers are gainfully employed. Thus, approximately 40 percent of our gainfully employed are involved in the production and distribution of food and fiber from the farms of America. Therefore, Mr. Chairman, if agriculture is placed in a bankrupt position it will certainly affect the prosperity of industry and labor as well.

Mr. Chairman and Members, I ask you to give this measure serious consideration.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BREEDING. I yield.

Mr. AVERY. I would like to compliment my colleague from Kansas on the statement he has made this afternoon. In fact, the gentleman himself is entirely too modest. He is one of the most successful wheat farmers in Kansas, and I know of no other farmer in Kansas who endured greater hardship during the drought in the thirties than did the gentleman in the well addressing the Committee.

I am particularly glad that he called the attention of the Committee to the impact of World War II and the Korean war on the wheat industry.

The reason I make that observation is because I was amazed at the committee report. It goes to great length to try and make a comparison, not a very convincing comparison, but it goes to considerable effort to make a comparison of the wheat industry since 1952 and the condition of that industry for 6 or 8 years prior to 1952, not taking account of the impact of World War II or the impact of the abnormal demand for wheat not only in the United States but all over the world, when the United States was about the only country that was in extensive wheat production.

Mr. BREEDING. I want to thank the distinguished gentleman from Kansas and my colleague for his kind remarks.

Mr. COOLEY. Mr. Chairman, I have but one further speaker this afternoon.

I now yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. GATHINGS. Mr. Chairman, the Subcommittee on Wheat, headed by the distinguished gentleman from Oklahoma [Mr. ALBERT] has done a superb job. They worked long hours over many weeks' duration to bring this badly needed legislation to the floor of the House. They realized that the need for corrective legislation in wheat was critical. They realized that something must be done to reduce the large surplus in the warehouses of the Nation and by so doing cut back on the excessive cost outlays for storage.

The objectives of this legislation are twofold: First, to reduce production beyond the requirements of the domestic economy and for the export trade, and second, to save money on storage charges. In bringing this bill here today it marks a new era in dealing with the urgent need for a sound long-range wheat program. This bill is stopgap legislation for a 2-year period only. The bill drastically reduces acreage of all size wheat farmers—cutting allotments by 25 percent effective with the 1960 crop year. The wheat farmer's acreage had previously been reduced to a considerable extent. He is being called upon to tighten his belt and try and make ends meet with a one-fourth less acreage. The 15-acre wheat man is reduced to 12, or the highest planted acreage on the farm in the immediate past 3 years, whichever is lower. That small wheat grower is taking a tremendous reduction as his contribution to the solving of this difficult problem.

The committee will provides for 90 percent of parity support for wheat in the crop years of 1960 and 1961. It is necessary that the farmer be given the 90-percent support level for his wheat in order to meet the excessive production costs, as well as fixed charges which includes taxes, interest, and so forth, and in many instances back debts. The excessive cutback in his acreage would mean a considerable reduction in production on the farm. To keep supplies in line with demand is the basic principle upon which the farm program was originally inaugurated. In taking these large acreage reductions, the farmer in turn was to receive at least a fair price for the commodity or commodities grown by him; that is, a fair price in keeping with the things that he has to buy that are essential in the cultivation and harvest of his crop.

There are those who do not agree with the concept upon which the farm program had its inception. They contend that what needs to be done is to consistently cut back all support levels and by doing so the farmer would be discouraged to grow large quantities of commodities and in that way—according to this line of thinking—there would be less surplus of farm commodities. They contend that the farmer would be growing for consumption and not for placing the commodities in the Government loan. This theory has not worked and will not work; the reason being that the farmer, by being given less price support and, as a result, less price for his commodities, has set to work to increase his yield. He would do that in order to pay his debts and excessive production costs. The Belcher substitute is based on this same theory—reduce the price to the farmer and all of our problems will be settled. The Belcher substitute should be defeated. It provides for a vote by all wheat farmers and completely eliminates the 15-acre provision of the present law. That is to say that you have to have an allotment before you can grow wheat should the Belcher amendment be adopted.

This large number of farmers; that is, the 15-acre or less grower of wheat, would no doubt vote in the referendum in opposition to the program since they would be deprived of the right to plant wheat as previously. It is necessary that the wheat farmers approve quotas and acreage allotments by a vote of at least two-thirds of those eligible to vote in order to put marketing quotas into effect. It has been estimated by the Department of Agriculture that there are 1,815,602 wheat producers. Of this number more than 1 million farmers have an acreage allotment of less than 15 acres. Under the Belcher substitute these small growers would be given the right to participate in the referendum. One-third of this total, or about 605,000, would be sufficient to eliminate marketing quotas and bring about a price support of only 50 percent of parity. Fifty percent of parity on wheat would mean a price of about \$1.20 a bushel. The present price support on wheat is about \$1.77 a bushel, and the selling price at this time is about



\$1.80 a bushel. Should the Belcher substitute be written into law and the resultant disapproval of marketing quotas on the part of wheat farmers come about, causing the 50 percent of parity price support to be invoked, it would mean that wheat would be diverted to feed-grain usage and completely upset the whole corn-feed-grain picture.

I trust that the committee bill will be approved and the Belcher substitute defeated.

(Mr. DERWINSKI (at the request of Mr. COLLIER) was given permission to extend his remarks at this point in the RECORD.)

Mr. DERWINSKI. Mr. Chairman, this bill provides us with an opportunity to apply realism rather than political emotionalism to the farm surplus and farm subsidy problems. After discussing this problem with many of you in recent weeks, I sense the deep feeling of frustration that prevails in the entire arena of our costly farm subsidy system. The overburdened taxpayer and the unhappy farmer, and the so-called farm legislation experts are equally frustrated by the contradictions and perplexities of the American agricultural policy.

To start with, each farm organization has a different viewpoint on how to best solve the problem of increasing farm surplus and costly price supports. These farm organizations for the most part want their pet programs or none at all. The Secretary of Agriculture, who has the responsibility of administering programs under the present law, is not permitted by Congress to put his choice of program into effect.

The city dweller is rapidly becoming aware of the fact that as a taxpayer he should have a tremendous interest in the growing cost of the farm program, and he is becoming concerned with the possibility that no remedy is in prospect in this year's legislative activity.

Most of the plans offered seem to be unhappy compromises which merely postpone the inevitable day of decision that is now rising on the horizon. This afternoon we are discussing the spending of \$110 million a year more than the present program.

It would probably be too much to ask that Congress shed political thinking and attempt to solve the farm problem while thinking of the person most affected by it—the American taxpayer. It would seem to me that the most logical approach to the problem, since everything else has been a failure, would be to abandon all price supports and return to the only plan that has ever worked—a free market.

Thinking along the lines of fundamental commonsense, any plan that artificially increases farm income bogs down with the problem of surplus which is produced by artificial means. Any plan tied to production automatically increases output, and, therefore, the subsidy.

Recently a plan was reintroduced to pay farmers directly out of the Treasury in order to guarantee a certain income for them. This is pure socialism, and should be rejected by all farmers, as well as the often forgotten taxpayer.

Mr. Chairman, I do not claim to have the wisdom of Solomon, and certainly do not claim to be an expert in the field of farm legislation, but it seems to me that if we had a free market of farm products, at least for a test period, we could then determine what actually happens when government steps out of its artificial role in farm production. The law of supply and demand has been most adaptable to changing conditions in industry. It would seem to me, thinking naively perhaps, that it could work in the field of farm production, providing for the farmer a sound return on his investment in land and labor, and removing from the backs of the taxpayer the oppressive cost of this artificial farm subsidy program.

In this day and age of advanced humanitarian thinking, the surplus products grown in America could be utilized to help starving peoples throughout the world in a manner that the Creator intended them to be used. To permanently store farm products, and permit them to rot away in storage bins across the country while people throughout the world are in need of food, is in obvious violation of the basic laws of nature and humanity.

Certainly, in conjunction with our State Department and responsible governments of the world, we can in a more practical manner distribute our surplus farm production in those areas of the world where there is a real need for them, and where they can be effectively placed in areas now suffering from famine and undernourishment.

Mr. Chairman, we must take vigorous action in an effort to end this costly and obviously unsuccessful socialistic-type experiment in farm production and farm surpluses. I appeal to the deep-seated concern of the Members of the House that we do away with political expediency and in the interest of all Americans, attempt to solve this problem.

This legislation before us today, and legislation in various other fields of farm price supports, are obviously not solving the problem. We all agree on this point. The closest proposal to a commonsense solution of the program was Senator CAPEHART's amendment to the wheat bill which the Senate turned down with little consideration. I urge the Members of the House, and I re-emphasize, to forgo political expediency and concentrate on the real issue, which is the elimination of this \$10 billion burden on the taxpaying public. We must have practical, profitable distribution of farm products so that the farmer is permitted discretion and freedom which is no longer his.

I urge the members of the Agriculture Committee, the legislative experts in this field, to accept these principles and give us sound farm legislation.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, had come to no resolution thereon.

#### CORRECTION OF ROLL CALL

Mr. BALDWIN. Mr. Speaker, on rollcall No. 76, Mr. MAILLIARD of California is recorded as having voted in the affirmative. Mr. MAILLIARD is away from Washington on official business and, therefore, did not vote. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### CORRECTION OF ROLL CALL

Mr. BRADEMAS. Mr. Speaker, on rollcall No. 75 I am recorded as having failed to answer to my name. I was present and voted "nay," and I unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### OREGON CENTENNIAL FAIR OPENS TODAY

(Mr. PORTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PORTER. Mr. Speaker, the Oregon Centennial Exposition and International Trade Fair opens today in Portland. It will run for 100 days. The closing date is September 17. Everyone is invited.

This year the members of the Oregon delegation have brought our State's 100th birthday to the attention of Members of this House and the other body. We have tried to do this in a variety of ways: By distributing samples of famed Oregon products; by requesting you, Mr. Speaker, and the distinguished Senate majority leader to help us cut Oregon's 100th birthday cake on February 14; by placing in the CONGRESSIONAL RECORD items of special interest about the centennial; and by telling anyone who would listen of the wonders of the Beaver State.

Communities throughout Oregon have planned special celebration. The usual fine events, such as the Ashland Shakespearean Festival in my district and the Portland Rose Festival, are being held. There are hundreds of other programs scheduled in the State and at least one major event outside Oregon.

At this very moment the On to Oregon Cavalcade is retracing the famed trek over the Oregon Trail. The wagon train, which resembles as nearly as possible the original trains of the 19th century, has traveled many miles since leaving Independence, Mo., the morning of April 19.

A hardy group of Oregonians is making the journey. They have been warmly received along the trail. The interest of









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 12, 1959  
For actions of June 11, 1959  
86th-1st, No. 96

Accounts.....	34		
Alaska.....	6		
Appropriations.....	3,22,34		
Buildings.....	4		
Conservation.....	30		
Contracts.....	12		
Cooperatives.....	1		
Customs.....	34		
Direct payments.....	1		
Disbursements.....	34		
Economic growth.....	18		
Electrification.....	28		
Employment.....	15		
Fair trade.....	13		
Farm loans.....	10		
Farm policy.....	14		
Farm program.....	21,32		
Fine arts.....	27		
Flood control.....	5		
Foreign affairs.....	16		
Foreign aid.....	8		
Forestry.....	3,19,26		
Interest rates.....	14		
Lands.....	23		
Legislative program.....	8		
Milk.....	2,9		
Poultry.....	33		
Price supports.....	1		
Public debt.....	7,20		
Public works.....	5,29		
Referendum.....	1		
Reorganization.....	26		
Small business.....	31		
Soil bank.....	24		
Surplus food.....	11		
Taxes.....	17		
Transportation.....	25		
Wheat.....	1		

HIGHLIGHTS: House debated wheat bill. House subcommittee voted to report bill to increase and extend special milk program. Conferees agreed to file report on Interior appropriation bill (includes FS). Sen. Wiley criticized USDA milk-marketing orders.

## HOUSE

1. WHEAT PROGRAM. Concluded debate on H. R. 7246, the wheat bill (pp. 9497-9545, 9559). It is planned to vote on passage of the bill today, June 12 (p. 9545).

Agreed to the following amendments:

The committee amendments to the bill as reported (p. 9525).

By Rep. McGovern, as amended by an amendment by Rep. Moorhead, to limit to \$35,000, beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person each year for wheat through CCC loans or purchases; the amendment exempts cooperative marketing organizations (pp. 9525-28).

By Rep. Latta, as amended by an amendment by Rep. Albert, to provide that farmers eligible to vote in a wheat referendum shall be producers on farms

with respect to which a wheat allotment has been established for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with the acreage allotment (pp. 9528-30).

Rejected the following amendments:

- By Rep. Belcher, 114 to 168, to substitute the text of his bill, H. R. 7611, for the committee bill. Among other things Rep. Belcher explained that his proposed amendment would leave "price supports exactly the same" as they are at present and would "eliminate the 15-acre exemption" on the production of wheat (pp. 9530-40, 9501-05).
  - By Rep. Morris to provide a direct payments plan for wheat (pp. 9533-5, 9540).
  - By Rep. Brown, Mo., 35 to 92, to provide that if marketing quotas are disapproved for the 1960 crop of wheat, no price support shall be available for the 1960 crop and each subsequent crop (pp. 9535-39).
  - By Rep. Quie to provide that if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to cooperators and noncooperators for the 1960 crop and each subsequent crop shall be "not less than 50" per cent of the parity price of wheat (p. 9539).
  - By Rep. Hagen, 97 to 132, to provide certain exemptions for the over-planting of wheat allotments (pp. 9539-40). A similar amendment by Rep. Hagen was later rejected 105 to 148 (p. 9541).
  - By Rep. Michel, 99 to 136, to limit to \$50,000 the total amount of CCC loans and purchases to any wheat producer for the 1960 crop (p. 9540).
  - By Rep. Quie, to require reductions in wheat acreage allotments over and above the 25 per cent reduction required by the bill (p. 9540).
  - By Rep. Quie, to require a reduction in wheat acreage allotments of 30 percent rather than 25 percent as provided in the bill (p. 9541).
  - By Rep. Quie, to prohibit price supports and acreage allotments to any producer who permits acreage taken out of production (under the 25 percent reduction provision) to be harvested or grazed (p. 9541).
  - By Rep. Quie, to repeal the law providing for a 15-acre exemption on the production of wheat "effective beginning with the 1960 crop of wheat" (p. 9541).
  - By Rep. Latta, to retain the 15-acre exemption instead of reducing it to 12 acres as provided in the bill (p. 9542).
  - By Rep. Smith, Iowa, to permit CCC to redeem in cash certificates issued for payments in wheat for producers who reduce wheat allotments (p. 9542).
- A vote on passage of the bill was postponed until today, June 12, after Rep. Hoffman requested that an engrossed copy of the bill be read (p. 9545).

2. MILK. A subcommittee of the Agriculture Committee voted to report to the full committee with amendment S. 1289, to increase and extend the special milk program. p. D466
3. APPROPRIATIONS. Conferees agreed to file a report on H. R. 5915, the Interior and related agencies appropriation bill for 1960 (includes the Forest Service) (p. D467). House conferees were appointed earlier. Senate conferees have already been appointed (p. 9496). The conferees were granted permission to file a report by midnight Fri., June 12 (p. 9496).
4. FEDERAL BUILDINGS. The Public Works Committee voted to report (but did not actually report) with amendment H. R. 7645, to grant GSA additional authority for the construction, alteration, and acquisition of Federal public buildings. p. D467
5. PUBLIC WORKS; FLOOD CONTROL. The Public Works Committee voted to report (but did not actually report) H. R. 7634, to authorize the construction, repair,



cooperate effectively in mutual defense planning with Greece and in the training of Greek NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe Greek forces could effectively use nuclear weapons in their defense.

These agreements previously submitted and this Greek agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of an agreement with the Kingdom of Greece. I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 11, 1959.

(Enclosures: (1) Agreement with the Kingdom of Greece; (2) copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission to the President; and (3) copy of the President's memorandum recording his approval.)

#### CALL OF THE HOUSE

Mr. JONES of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

By unanimous consent a call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 77]

Ashley	Gathings	Pillion
Barr	Gialmo	Powell
Barry	Gubser	Preston
Bolling	Healey	Reece, Tenn.
Buckley	Holfield	Scott
Canfield	Jarman	Smith, Va.
Casey	Johnson, Md.	Spence
Celler	Kasem	Tollefson
Coffin	Kearns	Whitener
Collier	Kilburn	Whitten
Davis, Tenn.	Mailliard	Miller
Dixon	Meador	George P.
Downing		Withrow
Garmatz		Wolf

The SPEAKER. On this rolleall 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—PERMISSION TO SIT DURING GENERAL DEBATE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Interstate and Foreign Commerce may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### COMMITTEE ON EDUCATION AND LABOR—PERMISSION TO SIT DURING GENERAL DEBATE

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### WHEAT PROGRAM FOR 1960-61

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1939, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of H.R. 7246, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take this time to urge the membership of the House to remain on the floor at least for the next few minutes to the end that you may have an opportunity to hear an intelligent discussion of this great problem. We are now dealing with American agriculture's problem No. 1. We now have invested in wheat, as I said yesterday, more than \$3 billion—wheat that we cannot sell and that we cannot give away. As we know, unless something is done, our problem will be aggravated.

The President of the United States on six or seven occasions has urged the Congress to do something, and our subcommittee on wheat under the gentleman from Oklahoma [Mr. ALBERT] has labored for 6 long months, and we are bringing this bill to the floor and presenting it to you, not as perfect legisla-

tion by any means—it is highly controversial. Only by listening to the debate will you be able to vote with any degree of intelligence. The gentleman from Oklahoma [Mr. ALBERT] will present the bill. Our colleague the gentleman from Oklahoma [Mr. BELCHER] has a proposition which he will submit to the Committee in due time. I think it would be well for all Members to hear the discussion. I have no preconceived ideas about the legislation, but I do know it deals with a problem of paramount importance to the people of America and, of course, to all of us here on the floor of the House. I hope you will listen to the gentleman from Oklahoma [Mr. ALBERT].

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to concur in what Chairman COOLEY has said about the gravity of the situation as it pertains to the wheat surplus. I do hope the membership will remain on the floor to listen to two experts in this field. I think if you will listen to the gentleman from Oklahoma [Mr. ALBERT], the chairman of the Subcommittee on Wheat of the Committee on Agriculture and the gentleman from Oklahoma [Mr. BELCHER], the ranking Republican on the subcommittee on wheat, you will get a good picture of the many problems involved.

Mr. COOLEY. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. ALBERT] 10 minutes.

Mr. ALBERT. Mr. Chairman, the Committee on Agriculture submits for your consideration a wheat adjustment bill which, though certainly not perfect and not altogether acceptable to any organization or group which has appeared before our committee, represents a genuine attempt to meet a problem which the President of the United States has repeatedly been saying should be met ever since the 86th Congress convened.

There is no easy or fully acceptable way to deal with the problem.

All members of our committee know this.

The distinguished gentleman from Iowa [Mr. HOEVEN], ranking minority member of the committee, knows this.

He and I have discussed this matter many times.

All members of the Subcommittee on Wheat know that this is no easy problem.

They have all been working on this problem for months.

All of us have tired, I think, to reach a solution to this problem that would be free of partisan politics.

With staggering surpluses on hand and with a substantial crop in prospect for the present year there is no soft or gentle way to attack this problem—no way which will be pleasing to everybody.

But the difficulty of the task is not the criterion.

We have a problem on our hands which is directly and fundamentally the responsibility of the Congress of the United



States, and we must act in some degree of unison, in some spirit of compromise, in an effort to make some contribution to the solution of the problem.

Time is running out, and we must act now.

The Department of Agriculture estimates that total wheat supplies for the 1958-59 marketing year are currently at 2,353 billion bushels which is about 12 percent above the previous peak reached 2 years ago.

This is enough wheat to supply all of our domestic requirements and exports for more than 2 years.

If we did not harvest one acre of wheat this year we would still have as much as 300 million bushels more than we need from current supplies to carry us through until the 1960 crop was harvested.

The truth of the matter is that we have built up surpluses of wheat in the hands of the Commodity Credit Corporation which the Department of Agriculture estimates will soon represent a Government investment of \$3.5 billion dollars.

The storage, interest, and transportation costs of handling the wheat program now total more than \$1 million per day.

It is beginning to look as though this surplus will increase from 100 million to 400 million bushels per year, year in and year out as long as the present program remains in effect.

New warehouses are going up all the time.

A new group, the warehouse lobby, is coming into existence to reap the harvest of the wheat program now in effect.

Mr. Chairman, we are producing 100 million to 400 million more bushels of wheat than we can sell or give away at home or abroad.

The Department of Agriculture has come up with no suggestion as to how we can get rid of the extra wheat which we are now producing except to feed it to livestock thereby increasing the problems of the feed grain-livestock producers.

We are channeling wheat into school lunch programs at home and abroad.

We are selling it at subsidies averaging 55 cents per bushel on foreign markets, and this includes all sales for dollars and sales under Public Law 480, in addition to foreign giveaways.

The subcommittee on wheat has been dealing with this problem since January.

We have held hearing after hearing.

We have heard from every farm organization and wheat organization and every Member of Congress and individual who wanted to be heard.

We have heard from representatives of every branch of the Department of Agriculture that has anything to do with wheat.

We have found no solution to this problem that would be satisfactory to everyone.

The farm organizations and wheat growers organizations are in almost complete disagreement as to how the problem should be approached.

Our subcommittee reported a bill which was changed in many particulars by the full committee.

Neither of these bills was perfect, but both the subcommittee and the full committee have kept in mind at all times two major objectives: first, that we must stop piling up wheat on top of wheat for which we have no earthly use, at the expense of the taxpayer and certainly against the long-time interests of the wheat producers of the country; and, second, that we should do this in a manner which will not destroy the economy of either the wheat farmers or the feed grain-livestock producers of our country.

These are the objectives of this bill.

These objectives this bill will meet.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 10 additional minutes.

Our committee has considered every proposition that has come before it, but we have found no way to get production of wheat below the disappearance of wheat without reducing the acreage planted to wheat. We have not only recommended a 25-percent cut in acreage allotments but we have tightened up loopholes which have accounted for a part of the overproduction in the past. In making these cuts we have also undertaken to do what producers of no other commodity have been required to do, and that is to invoke cross compliance so far as price supported crops are concerned. We have tried to avoid opening up one loophole while plugging another. We have tried to say to the wheat farmer that while he cuts his production in wheat he cannot turn around and put the acreage into some other supported crop already in oversupply. We have also undertaken by a payment-in-kind equal to one-third of the production on the land taken out of production, to encourage farmers not to plant the acreage in any other crop for harvest or to graze it. To offset the terrific loss in income due to a 25-percent cut in allotments, we have raised the level of price supports from 75 to 90 percent of parity. This is the only provision of this bill to which the Department of Agriculture really makes substantial objection.

The Department has recommended, whether we go the control route or whether we go the so-called free route, that we cut the support level or change it to a percentage of the market price during a recent period of years. A 20 to 25 percent cut in allotments is essential to get production below current disappearance, and the farmers cannot stand such a reduction in their acreage with a price cut in prospect at the same time. It may be that in the long pull stable price supports and acreage allotments are not the answer to the wheat problem, but they are essential if we are going to cut production to an extent that will enable us really to begin to get rid of these surpluses and not bankrupt the wheat farmers of this country in doing it.

In order to plug loopholes which have aggravated the overproduction problem

in wheat, your committee has recommended penalties which, in our opinion, will really stop overplanting. One of the big loopholes in existing law has been the ease with which noncompliers could take advantage of the program. The law now provides that penalties shall be at 45 percent of parity and that they shall be based upon normal yields. In recent years actual yields have been running about double normal yields. The result has been that many large farmers have been out of compliance continually, and in the last 4 years such noncomplying producers have added more than 90 million bushels to the surplus. The committee has increased the penalty rate from 45 to 65 percent and has based penalties upon actual yields instead of upon normal yields. These increased penalties will stop the practice of overplanting allotments. Another loophole in the law which has been pointed out by the Department of Agriculture has been the so-called 15-acre exemption. The big difficulty here has not been the size of the exemption but the increase in the number of farmers taking advantage of the exemption year after year. Figures given our subcommittee by the Department of Agriculture show that 15-acre farms have been increasing at an average rate of about 100,000 farms per year. According to Department estimates, this loophole has added 475 million bushels to the carryover supplies in the last 4 years. If the 15-acre exemption in its present form should remain in effect under the bill now under consideration, with commercial wheat producers being required to reduce their acreage by 25 percent and with price supports being increased, there would undoubtedly be at least 250,000 new 15-acre farms next year.

The 15-acre exemption has presented a difficult problem. The Department of Agriculture and the President of the United States have recommended that it be eliminated. Many Members feel we should abolish it. Others have insisted that it must not be disturbed. Your committee has brought forth a reasonable compromise.

It has cut the 15-acre exemption to 12 acres or to the highest planting during the years 1957, 1958 or 1959, whichever is lower. We do not think it is fair to come in at this late date and say that you cannot have a 15-acre exemption. I am going to say to those of you who are going to support the proposition offered by my friend, the gentleman from Oklahoma [Mr. BELCHER] who comes from an area where for the most part producers are relatively large, that if you adopt his amendment, you write off the wheat areas of this country east of the Mississippi River. If you adopt his proposition, you will practically write off all Soft Red Winter wheat areas.

We feel that this compromise is fair in view of the fact that commercial wheat producers have already cut their production from nearly 84 million to less than 55 million acres and are now being asked to cut nearly 14 million acres more. We feel, on the other hand, that it would be unfair at this late date entirely to abolish



the 15-acre exemption, because such action would upset the rotation practices of many farmers and would just about take some wheat areas and some types of wheat completely out of production.

While reducing the 15-acre exemption this legislation contains an offsetting provision in that it has entirely removed the 30-acre limitation on the production of wheat to be consumed on the farm. There has been long an increasing demand on the part of many farmers and many Members of Congress for the removal of restrictions against growing wheat for feed on the farm on which it is produced. Enactment of this legislation will remove such restriction and will give your farmers the right to grow all the wheat they want to grow for feed or food on their own farms without penalty of any kind.

Your committee has recommended that this bill remain in effect for a period of 2 years to meet an emergency situation with the hope that permanent legislation which will deal effectively with the problem in the long run may be worked out during the life of this act.

This bill will cut the production of wheat, and there is not any question about that, and it will cut it below present consumption. The increased penalties for overplanting and the reduction in the 15-acre exemption will cut the production of wheat at least 5 percent a year. In my judgment, with the penalty provisions that have been placed in this bill and with the adjustment of the 15-acre exemption, along with a 25 percent cut which all commercial wheat farmers must take, we have a right to expect a greater reduction in production than the most optimistic estimates that have been made up to this time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I am delighted to yield to my chairman.

Mr. COOLEY. Will the gentleman explain his expression "the highest planted"?

Mr. ALBERT. The highest planted acreage means that if a farmer has planted on his land any wheat during the last 3 years—that is, 1957, 1958, and 1959—but the amount planted during any one of those years is less than 12 acres, he will get the highest planted during any one of those years.

This bill could well result in a full 25-percent cut in wheat production or even more. Some spokesmen for the Department of Agriculture have been putting out propaganda that these cuts would be offset by increased incentives due to increased price supports. This argument is a myth. Our subcommittee had before us the top scientific and technical experts from the Department. They made no substantial claims of this kind. On page 10 of the hearings, Dr. Louis P. Reitz, of the Agricultural Research Service, Crop Research Division, states:

There has been, during the last several years, a considerable increase in use of fertilizer on wheat. This has, according to some experts, about reached a saturation point for many of the major areas. One of the limitations in further use of fertilizer is the inability of present varieties to respond favorably to higher rates of fertilization.

While there may be prospects in the future for varieties which will better respond to fertilization, I have not been able to find any responsible authority who has the remotest idea that such varieties will be developed with seed available to farmers, within the 2-year life of this bill. The truth of the matter is that under 75-percent supports farmers have used fertilization to the limit and they will continue to do so.

They will grow every bushel of wheat they can grow under the present program. They may take their poorer than average wheatlands out of production as allotments are cut still further, but again they would do this whether the support levels were 75 percent of the previous 3-year market average or 90 percent of parity as we recommend.

They will grow much less wheat if they are required to reduce their plantings by 25 percent and we will begin to draw down our surplus stocks. Mark this, this bill not only represents a 25-percent cut in all allotments of wheat but it stops overproduction on acreage beyond allotments, and it stops this eternal adding at the rate of 100,000 farms per year of 15-acre farms which have further aggravated the problem. In my opinion, this bill will cut wheat production a full 25 percent and then some. This bill will not only cut acreage—it will reduce Government costs.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to my chairman.

Mr. COOLEY. I just wonder if the gentleman will comment on the eligibility for voting. Some question was brought up yesterday to the effect that certain farmers will not be permitted to vote in the current year but only vote 2 years hence. Does the gentleman intend to offer an amendment to that section? I would like him to discuss it.

Mr. ALBERT. I do. That happened because of the parliamentary way by which this bill came to the floor. Certainly anybody who is subject to marketing quotas ought to be eligible to vote. There is not any argument on that.

Mr. COOLEY. The gentleman is going to propose such an amendment?

Mr. ALBERT. I shall propose an amendment, if somebody else does not offer one.

We have asked Mr. Walter Wilcox, of the Library of Congress, to give us some estimates of savings in Government costs for the wheat price-support program under H.R. 7246, compared with continuation of existing legislation.

Under leave to extend my remarks, the statement of Dr. Wilcox to the chairman of our committee is as follows:

In response to your request, the following are my estimates of savings in Government costs for the wheat price-support program under H.R. 7246, as compared with a continuation of existing legislation:

	Million Bushels
Estimated annual production under the present program.....	1,200
Domestic utilization plus exports.....	1,050

Annual increase in CCC stocks..... 150

Estimated annual production under H.R. 7246, with 25 percent reduction in allotments, a reduction in the 15-acre limitation, and an increase in penalties for overplanting (20 percent reduction in production).....	960
Domestic utilization plus exports.....	1,050

Annual reduction in CCC stocks.....	90
Savings to Government under H.R. 7246	Million

150,000,000 bushels taken over by CCC at \$1.75 per bushel.....	\$275.5
Storage and interest on 240,000,000 bushels, 150,000,000 reduction in annual takeover, plus, 90,000,000 reduction in stocks at 30 cents per bushels.....	72

Total annual gross savings.....	337.5
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Export subsidies are now paid wheat exporters in the form of wheat taken out of Commodity Credit Corporation stocks. Because of the increased subsidies required under H.R. 7246, an estimated additional 45,000,000 bushels will be withdrawn from CCC stocks to pay the exporters.

Since withdrawals for these two purposes total 125 million bushels or 35 million more than the 90 million bushel difference between estimated production under H.R. 7246 and utilization, the Commodity Credit Corporation will have returned to its approximately 35 million bushels as a result of these payments in kind at \$2.10 per bushel (the estimated support level under H.R. 7246). This will require a Government outlay of \$73.5 million which should be deducted from the annual gross savings:

	Million
Annual gross savings.....	\$337.5
Less value of wheat returned to CCC stocks because of payments in kind in excess of net reductions in CCC stocks.....	73.5

Estimated annual savings in Government outlays or costs.....	264.0
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The minority report undertakes to show that this program will cost more than the present program. On page 28 of the report it is stated that the Department estimates that a savings due to 25 percent reduction in allotments will amount to \$270 million but that an additional \$200 million for increased export subsidies and \$180 million to cover the cost of payments in kind, will cause an increase in the cost of \$110 million per year over the present program.

This simply is not true. In the first place, the minority report estimates that a reduction in wheat output probably would be less than 15 percent. It entirely omits consideration of the increased penalties for overplanting and the reduction in the 15 acre exemption which alone would account for one-third this amount. In addition it makes unfounded assumptions that great increases will result from increased fertilization and new techniques. It fails altogether to take into account the decreases resulting from adjusting the 15 acre exemption and stopping expansion of the 15 acre farms and in plugging up the loopholes with respect to larger producers. I doubt that any unbiased wheat experts can be found who will support the position that this bill would only reduce wheat production 15 percent as compared with existing legislation. The estimates by Dr. Walter Wilcox of the Library of Congress are im-



partial estimates. They are conservative estimates based upon an assumption that this bill will cut production only 20 percent. This is far too conservative in the light of the facts as they exist; but more than this, if everything the minority report says about this bill is true and if everything the Department of Agriculture says is true, and admitting as we must that export subsidies will be increased, there is no question but what this bill will reduce Government costs.

Dr. Wilcox is a neutral authority. He is an expert in this field. He has estimated the savings will be \$264 million a year. Somebody said we should take the Department's estimates. The only trouble with taking the Department's estimates is that the Department is playing politics with this thing. I understand the Secretary of Agriculture has been over here, but has not consulted with the chairman of the subcommittee on wheat. He has been consulting with Republican Members. Now I am not accusing my friends on the Republican side or the Secretary of doing anything wrong, but I understand they have been huddling on this matter. I think the Committee has tried to handle this problem as it should be handled—in a nonpartisan way.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HOEVEN. The gentleman from Oklahoma is certainly not contending that the Department is putting out false figures relating to the costs.

Mr. ALBERT. Well, I am just contending that figures can be juggled. I would like to say to the gentleman, we did not get any figures of the kind that we are hearing about from the Department of Agriculture when we had Department representatives before our committee. We asked them to tell the whole truth and gave them all the time they needed to tell the whole truth. Does the gentleman deny that the Secretary and the Assistant Secretary have been consulting with Republican Members and not with Democratic Members during the consideration of this matter?

Mr. HOEVEN. Well, I would not know about that, whether they have been consulting with Democratic Members or not, but I will say, frankly, I have consulted with him and with members of the Department with reference to the legislation in an effort to work out something that would be acceptable.

Mr. ALBERT. I have told the Secretary of Agriculture several times that I wanted to work out this problem. The gentleman from Iowa knows full well how much I respect him and how much I admire him. The gentleman knows that when he and I were trying to work out a compromise the President was issuing press releases giving the Congress fits for not getting out a wheat bill. I ask the gentleman—is that not correct?

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. ALBERT. I yield.

Mr. HOEVEN. Was the Secretary of Agriculture invited to testify on the bill

which was reported out of the committee?

Mr. ALBERT. No, because the testimony was all in at that time.

Mr. HOEVEN. Why was he not invited?

Mr. ALBERT. Was he invited to testify on the substitute bill?

Mr. HOEVEN. Well, I am asking the chairman of the wheat subcommittee whether or not the department was invited to testify.

Mr. ALBERT. I might say when we reported out the original bill, I said to every Member, Democratic, and Republican, on the subcommittee, "This is the best I can do but I am willing to take any Republican's bill or anybody's bill, if you have anything else to offer." And there was nothing forthcoming when we concluded our work in the subcommittee. But that has nothing to do with the merits of the case because I am just trying to point out the facts with respect to the argument that we should take only the figures of the Department of Agriculture.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. COOLEY. Is it not a fact that you had before your subcommittee officials of the United States Department of Agriculture for a solid week and the Secretary of Agriculture was accorded the privilege of coming before the committee?

Mr. ALBERT. The gentleman is correct and the Secretary did appear before the full committee. There is no argument about that.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. KITCHIN. The gentleman from Oklahoma, the chairman of the subcommittee on wheat, has brought up a point which I think emphasizes the confusion of Members of both sides of the aisle and those of us who do not know much about wheat, and I consider myself as being in that category. He has brought out the point that there is a difference of some three-quarter billion dollars in the estimates made by the gentleman from Iowa and the statement that has just been made by the gentleman from Oklahoma. The gentleman from Iowa said yesterday, if he is correctly quoted in the Record, that this would cost an additional \$140 million to the taxpayers. The statement has been made here by the gentleman from Kansas [Mr. BREEDING] yesterday and by the gentleman now occupying the well, the gentleman from Oklahoma [Mr. ALBERT] to the effect that this would be a saving of \$528 million over a 2-year period to the taxpayers. Now this difference of some three-quarter billion dollars, I think, should be clarified and someone should be able to furnish a reasonably accurate statement for the benefit of the House. I think there should be some justification of these figures.

Mr. ALBERT. If I have the time, I will try to justify the figures. Now here is the situation. The minority report, and that is the same language that the

gentleman refers to, estimates the reduction in wheat output probably would be less than 15 percent, but it entirely omits consideration of increased penalties for overplanting or the reduction of the 15 acre exemption, which alone would account for one-third of this amount. In addition, it makes the assumption that great increases will result from increased fertilization and new techniques. Now, will we get a big breakthrough in fertilization? The experts do not say so, and you have to assume that, if we are going to reach the conclusion that they reach. The experts did not say so. But, I say to my friend, the gentleman from North Carolina, that if we do get a big breakthrough in fertilization, it will not make any difference whether wheat is supported at 75 percent or 95 percent, we will still be paying more than the Government can afford. Once you get another big breakthrough, all price support programs on wheat are finished. There is no question about that.

Here is the important point, the point they overlook, I personally think this bill will cut production 25 percent. This is not just a layman's opinion; I have talked to wheat men all over the country. But here is the point, even the minority report, even the Department admits that this 25 percent cut, this tightening up, is going to get disappearance below production and that is the important thing. If the farmers offered to give their wheat to the Government, the Government could not afford to take it in view of carrying charges.

The thing that is running up the cost of the program is not the initial investment, but the mounting costs of surpluses which have already gone and which are continuing to go into the warehouses of the Commodity Credit Corporation.

This bill will stop the accumulation of surpluses and, in stopping them, will stop the continuing year after year cost to the Government on the same wheat over and over again.

This bill will get wheat out of Government warehouses and in the end will be of benefit to both the farmer and the taxpayer.

The minority assertion that this bill will result in \$200 million increased export subsidy costs is simply fantastic.

Exports subsidies on wheat are now paid in kind.

It will take about 45 million additional bushels of wheat to pay the increased export subsidies under this bill.

If this wheat were valued at market price the increased export subsidy cost would be less than \$90 million.

But this payment in kind using surplus wheat for which there is no market and on which storage and handling charges exceed 20 cents a bushel a year represents no additional Government outlay whatsoever.

The same logic applies to the statement in the minority report that payments in kind to producers for not harvesting a crop on their diverted wheat lands would increase Government costs \$180 million a year.

These payments do not increase Government outlays since the wheat is al-



ready on hand. The minority has simply been misinformed by the administration which hopes to discredit all proposals except its own. This bill will reduce wheat production below current disappearance. It will reduce Government costs substantially. It will also protect wheatgrowers' incomes and the interest of feed grain-livestock producers.

For these reasons we believe this bill merits broad support.

Now, there has been a lot of talk recently about vetoes. I do not know whether anybody here today has an advance message from the White House whether this bill will be vetoed or not. I know that so far as I am concerned the President of the United States has his responsibilities. I have mine. I know also that if the President signs this bill the responsibility for failure to decrease mounting wheat surpluses in this country will not be his alone. I know further that if Congress enacts and the President signs this bill, the responsibility for the failure of the law, if it does fail, will rest on the Congress of the United States, and I will be willing to assume that responsibility.

I know also, and the President of the United States knows, that if he vetoes this bill the responsibility will be his. I know further that if the President of the United States vetoes this bill he will veto a lot of legislative reforms, so far as the wheat law is concerned, reforms that he himself has requested.

In his message to the Congress on January 29, the President sent up his recommendations in which he mentioned that two routes were open to the Members of Congress in dealing with the wheat problem: The first he called the relaxation of controls route and which he recommended in the longtime interests of wheat farmers. The second he called the control route and with respect to which he said:

The control aspect of this approach is drastic regimentation which Congress has not been willing to impose. While this approach might have merit for an emergency adjustment period, it would not be in the best longtime interest of wheatgrowers and agriculture generally.

Mark you, that the President has said that the control route might have merit for an emergency adjustment period.

Now, Mr. Chairman, if ever an emergency adjustment period was upon us that emergency adjustment period is upon us now.

The President of the United States said in his message of January 29 that if the emergency concept is to be retained then certain things should be done and here are some of the things he mentioned:

First, the President said we should eliminate the provision allowing any farmer to produce up to 15 acres of wheat. Well, your committee has not seen fit to eliminate the provision but it has plugged a big loophole by not permitting new farms to come in at the rate of 100,000 per year and by reducing the 15-acre exemption to 12 or the highest planted in the last 3 years. It has taken substantial action to give effect to this recommendation of the President.

The President has asked that we increase the penalty rate for overplanting to the point that will stop the practice. This we have done beyond any question of doubt.

The President has told us we should base penalties for overplanting on actual overproduction rather than upon normal yields per acre. This we have done practically as recommended by the President of the United States.

The President of the United States has said we should eliminate the 55-million-acre minimum. For the life of this bill, we have cut that minimum by one-quarter.

The only thing that the President of the United States recommended, that was of any substantial importance and that is not in this bill, was that we base price supports on a percentage of the average market price of the immediately preceding years or, if the present standard is retained, give the Secretary the same discretion he has for most other commodities. Now we are not willing to cut the allotments of the wheat farmers of this country by 25 percent and at the same time reduce support prices to an amount that will be the equivalent of 40 cents per bushel the first year and probably an additional 15 cents or 20 cents the second year. Nor are we willing to turn over to the Secretary of Agriculture the discretion as to what wheat farmers will receive in the way of price supports from our Government.

This is not an arbitrary law. If 34 percent of the wheat farmers of this country do not like the control features of this bill they may turn them down. In that event wheat farmers will be permitted to grow all the wheat they want to grow and to receive for it 50 percent of parity. This will be pretty close to the world price, and does anybody here think that wheat farmers or any other farmers should be permitted to have unlimited production and receive at the same time a guarantee substantially above the world price?

The farmers have a choice. They have a choice that they do not have under the present law, a choice on the one hand of giving themselves a right to unlimited production if they want it and at the same time to get an across the board guaranteed minimum price support, or on the other hand, 90 percent supports and controlled production. Under present law the Secretary of Agriculture is obligated to support wheat prices in the event marketing quotas are defeated in referendum only to those growers who comply with their allotments.

This bill is not a handout for agriculture. The wheat farmers certainly in the short run would much prefer to have the present program, to keep present allotments and to receive a guaranteed price of around \$1.80 per bushel. They can do pretty well under this program, but in the long time interest of the wheat farmers of this country and in the immediate interest of the taxpayers and consumers of this country, and in the name of commonsense, the time has come for Congress to enact some kind of law which will stop this business of paying farmers to grow things for which we

have no present or prospective need. It would be much better to subsidize farmers outright—to pay them not to plant—than to pay them to go through the work and motion of planting and producing something, while depleting our soil—something that we cannot eat, sell, or give away at home or abroad.

This bill is an effort, a hard effort, on the part of this committee to deal with the problem responsibility. It is not a bill that is designed to bring popularity to those who sponsor it, but it is a bill designed honestly and after long consideration to do a job that only the Congress can do and to do it now.

Mr. HOEVEN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. BELCHER], ranking minority member of the Subcommittee on Wheat of the Committee on Agriculture.

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, this is one of the most unique occasions I have ever experienced since I have been a Member of Congress. I am the ranking minority member of the Wheat Subcommittee, and my good friend the gentleman from Oklahoma [Mr. ALBERT] is chairman of the Wheat Subcommittee. This is one of the very few times that we have ever differed on nearly anything. He is a Methodist and I am a Methodist; a great Methodist university conferred an honorary doctor of laws degree upon both of us at the same time last year because they did not want to show partiality. He and I are bridge partners occasionally in bridge tournaments. He and I are both backers of the University of Oklahoma which we both attended.

I think he is one of the most objective-minded and one of the finest Members that has ever been sent to this Congress from any State.

Mr. ALBERT. If the gentleman will yield, the gentleman knows my personal affection for him, and he knows I never have been able to understand why a man who was such a good Methodist, such a good Oklahoman, could be so wrong in his politics.

Mr. BELCHER. I can readily understand why he would say that, when he comes from a State that last year caused the greatest landslide in the history of the United States and threatened such a prairie fire that to this very moment I do not know how I got through it without being burned. In addition to that, I want to congratulate the majority side of this House for elevating my good friend to a position of leadership. I do not think you could have done better. I appreciate your action and I am grateful for this elevation of a friend of mine.

Mr. Chairman, I will say in connection with the wheat bill that never in the history of this Congress has a man more earnestly and sincerely attempted to come up with a wheat bill than the chairman of this subcommittee. He heard everybody who wanted to be heard, and he heard most of them several times, and then if they had any rebuttal he brought them back and let them testify again. At the end of the



hearings he introduced a wheat bill known as the Albert bill. It came before our subcommittee and was passed by the subcommittee. It went to the full committee and was promptly rejected by the full committee.

After the full committee had decided to reject all of the efforts and all of the information that had been collected by the subcommittee, then, and after they had written another bill and that bill had not been introduced by any member of the subcommittee and no member of the subcommittee seemed to want to introduce it, although one or two were requested in open meeting to introduce it, a tobacco farmer from North Carolina finally introduced a bill, and the bill before you is the bill introduced by the chairman of our committee. He is the man who, through this bill, is seeking to raise the price support on wheat to 90 percent, the same man who every single day of this session of Congress has been putting forth his efforts to reduce the price support on the commodity that he raises from 90 percent, because 90 percent is ruining the market for his farmers. Just yesterday that bill reducing the price supports on tobacco below 90 percent, a commodity that has never been in trouble, a commodity whose program has always worked perfectly, and if you don't believe that I can say I have the authority of one of the best tobacco raisers and one of the greatest agricultural experts of this House, the chairman of the Agriculture Committee himself.

He has made the statement many times that the tobacco program is the one perfect program that has been brought about. Yet he said that 90 percent is ruinous today, and because he does not have anything to do with wheat he brings on the floor of the House a wheat bill putting it in the 90-percent bracket.

Mr. Chairman, I am going to offer a substitute, and I think at this point it would be a good idea to explain the terms of both of these bills. A lot of general statements have been made, but the exact details of the committee bill have never been presented to the House, and I think it might be a good plan to present that bill and present the bill I intend to offer as a substitute.

The committee bill raises the price support from 75 to 90 percent. It cuts wheat allotments by 25 percent. It tightens up the controls on overproduction. It reduces the 15-acre minimum to 12 acres. As I said before, it requires that 25 percent of the wheat allotment shall be laid out during these 2 years.

Now, to pay the farmer for laying out the 25 percent, if he does not use these acres for any other crop, and very few of the farmers of my district can use it for any other crop, he is paid a bonus out of the wheat surplus that is now owned by the U.S. Government of one-third of the average yield on the acres that he lays out. That goes as a bonus for the reduction of 25 percent.

In the discussion of the cost of the program, and in the discussion of the reduction of production, that has not been mentioned up to now. A third of the normal yield that is delivered to the

farmer in kind of a U.S. warehouse will in turn be sold by the farmer in the open cash market to break the cash market for the price-support wheat, and in turn will cause him to go out and buy price-supported wheat; and in the process we delivered wheat that has been bought in at the 75 percent level, we put that in competition with the 90-percent wheat, then we take the taxpayers' money and go back and buy that wheat for 90 percent.

Mr. Chairman, as far as my bill is concerned, it leaves price supports exactly the same, exactly where it is today, it leaves wheat acreage allotments exactly where they are. It does eliminate the 15-acre exemption. My bill for the first time in the history of wheat legislation puts every wheat raiser in the United States on exactly the same basis.

There might be something wrong with not treating big farmers and little farmers alike, I do not know, but you hear a lot of talk about big farmers and little farmers. I am not for big farmers or for little farmers. I have a few big farmers and a lot of little ones in my district, and I have never on the floor of the House or as a Member of Congress taken the part of the big man or the little man. I think big men are Americans and I think little men are Americans. If you are going to give a vote to the wheat raisers, you cannot say, if you raise 14 acres you cannot vote; if you raise 16 acres you can vote. I believe in giving every wheat raiser in America the same voice and vote in the program. I believe in putting them all under the same price level. If you are going to support one you should support the other. I believe that in determining allotments for little fellows they should be determined on the same basis that you determine the allotments for big fellows. If a 6-acre farmer overproduces, he should pay the same penalty as a 16-acre farmer that overproduces. All farmers in America should be treated alike, in my opinion. That is all my bill does. My bill retains a provision in the committee bill that tightens up control so that those fellows who plant excess acres, overproduce and break the market for those fellows who do comply, will pay a 65-percent penalty on the actual bushels they plant in excess.

The gentleman from Oklahoma says, of course, that I represent the big wheat farmers. I will have you know, first, there are 85,000 wheat farmers in Oklahoma. Seventy-three thousand of them have less than an allotment of 100 acres. Here is a letter from one of the big wheat farmers I represent. This gentleman is a war veteran. He was a member of the Executive Committee of the American Legion, of which I was post commander. That is how we became so well acquainted.

Here is a letter I just received from him a few days ago, but after the Albert bill was reported out of the subcommittee and before it was junked and the new committee bill came out. This is his letter to me:

DEAR PAGE: I am writing you in regard to the new wheat law that the Agriculture Committee thinks is O.K.

PAGE, if you will just think this out I am sure that you will be and should be against it.

Now a 20 percent cut in acreage allotment even with your 10 percent raise in parity will not let us small farmers remain on the farm.

Now if you are for the big farmers getting bigger, then there is no need for me to say more, but here is the situation.

On our home place we have only a 60 acre (59.4) allotment. Now 20 percent of that is 12 acres so that would be a cut to 48 acres. You know about our production record here in Garfield County, and you see we could not make a living on that, and oats, barley, etc., is not a sure enough crop, and oats even with a good crop sell for around 50 cents per bushel, so it's not much of a cash crop so we are limited as you know to wheat.

PAGE, things for the small farmer are getting serious. You must think out a way for us to have enough acreage of wheat or we must go to town which will make more men for the jobs that are available which will lead to more unemployment.

There is an old saying, "If you can't whip 'em, join 'em" so if you Congressmen can't give us a better break we will have to have you find us jobs, so you see the small farmer's situation so please do what you can for us or there won't be any of us left.

Yours sincerely,

PAUL DICKERSON,  
Enid, Okla.

Now, this is one of the big wheat farmers, and that is typical of the wheat farmer, I might say, in my district. A lot have bigger allotments, but a lot do not. Why does this war veteran have to be cut to 48 acres? Simply because we have permitted wheat to move out of that area all over the United States, and the 15-acre minimum has made it possible for a fellow who never raised wheat before to take that on as a sideline, as a little extra nest egg in addition to his other farm income. It is just like the man with a permanent job who mows lawns after supper to make a few extra dollars. My wheat farmers depend on wheat for a living, because that is all they can raise. Their allotments are down below the minimum at this time. The elimination of the 15-acre allotment will not work a hardship on anybody. It puts everybody on the same level and certain farmers will not be eliminated from the wheat program. But, my amendment provides, if he is a wheat raiser, he will be under the program, he will have the same number of acres that he always planted. If every one of my farmers was raising as much wheat as they always have raised, there would not be any 15-acre limitation. I have nothing against the 15-acre farmer or farm of any size. I would like to have them all put in the same buggy; all given the same treatment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Ohio.

Mr. LATTA. Did I understand the gentleman to say that the wheat farmers in Oklahoma have been cut and that the 15-acre fellows have thereby gained?

Mr. BELCHER. I made the statement that the wheat grown in Oklahoma has been cut by 40 percent on account of



wheat allotments and that the 15-acre farmer has not been cut at all. His wheat acreage has been raised up to 15 acres.

Mr. LATTA. Well, the figures I have show that in 1939 the State of Oklahoma had 3,783,954 acres wheat allotment; in 1959 they had 4,874,312, or an actual gain in the State of Oklahoma of 1,090,358, or a net percentage gain of 28.8; while the State of Ohio has been reduced by 48 percent.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BELCHER. Just a moment. I can readily explain that to you. Here you find one Member from Oklahoma on that side and one on this side. Wheat acreage has been taken out of my district and the fellows over in Mr. ALBERT's district have started planting it.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Michigan.

Mr. FORD. Under your bill, do you have a provision permitting a farmer to grow wheat on his farm and feed it to poultry, for example?

Mr. BELCHER. That is correct, and the reason I have not more thoroughly discussed that is because it is in either bill. The same provision as far as raising wheat for feed on the farm is concerned is both in H.R. 7246 and also in my bill. You can raise all the wheat you want to on your farm and consume it on the farm under either bill.

Mr. ALBERT. On this matter of the 15-acre exemption, I think the House should thoroughly understand it. The 15-acre exemption has been in the law for many, many years. The gentleman knows that. It has undoubtedly caused some shifts in acreage. It has built up certain crop practices, so that there are 15-acre farmers who depend on this exemption, and this will prevent them from getting it.

I want to say this to my friend, and I think he will agree, that the big difficulty with the 15-acre proposition has not been so much the 15-acre exemption as it was originally given but the fact that every year about 100,000 new 15-acre farms have been coming along. The committee bill will stop that as well as reduce the exemption. The committee bill goes a long way in compromising.

The really big loophole has not been the 15-acre exemption per se but the fact that it has been there and every time you have a cut in the commercial area, 15-acre farms have increased. That is what has been going on year after year. The committee bill will remedy that situation.

Mr. BELCHER. I agree with the gentleman that it has been the continual increase in that practice which has increased the number almost 1 million. And it was testified to by the Department of Agriculture that 600 million bushels of the present surplus has been created as a result of the 15-acre minimum. The removal of the 15-acre minimum is not going to take very much away from any farmer in America. But the removal is going to permit the veteran whose letter

I have just read—and those farmers are down to rockbottom in those wheat areas—it is going to permit that wheat area to still be in the wheat business, but it will prevent the fellow who joined the wheat program under the 15-acre exemption to go back and raise the crop that he raised before that.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. HORAN. I think the gentleman brought out plainly this imbalance that has been brought about and that needs to be corrected. We are now producing 600 million bushels on land that probably is not fitted for millable wheat. Would the gentleman like to comment on the high moisture climate where some of this wheat is produced and produced in rather large bushelage?

Mr. BELCHER. I agree with my colleague from Oklahoma that most of the 15 acres have been planted in the past few years and that there has been about a 100,000 increase each year. Every single one of those fellows that has come in under this exemption is one who did not feel that it was profitable to grow wheat until we made that exemption. Ever since the country was opened, they have grown some other crop and they only joined the wheat program when it became more profitable to sell wheat under the umbrella held over their heads by the actual wheat raiser. So I do not think you are going to work so much of a hardship on the 15-acre boy because all of his life he has raised something else anyway; until he had a chance to get in the wheat program. He can go back and plant the same thing that he planted before that.

Mr. Chairman, I want to discuss one part of this bill that is going to interest those people who represent the great consumer areas of this country. As a man who represents one of the great wheat districts of this country, and a great agricultural section of the United States, I have always been deeply grateful for the generosity that has been displayed by those Congressmen who represent strictly taxpayers and consumers. Year after year when these farm bills have come before the House, the great majority leader on this side whose constituents do not get a dime's worth of benefit directly out of a farm program—although I want to assure him that even his constituents do get some indirect benefits, because a prosperous agriculture certainly tends to a prosperous America and if everybody is prosperous, the people in his district are prosperous, too—he has stood on the floor of this House and has backed programs that did not bring any direct benefits to his people. For that I have been extremely grateful as a member of the Committee on Agriculture. But I think that we members of the Committee on Agriculture owe a duty to these people who have voted all these years for our programs, not to embarrass them any more than is possible. When we go into the next campaign and some unscrupulous candidate for Congress raises the issue that, "You voted for 90 percent parity at the very time that there were 1,400 million

bushels of wheat"—and 65 million pounds of it stored in my home town—it might be a little hard for you to explain. They might also ask you, How come you voted for \$2.13 a bushel for the wheat that goes into the bread and pastries and cookies that his family eats? I know that members of the Committee on Agriculture can explain that. But I also want to tell you that you might run up against some thickheaded constituent up there who could not understand how you could pay \$2.13 for wheat and have bread cheaper than paying \$1.81.

You might not have all fellows who understand the agricultural problem like the gentleman from Texas or the gentleman from North Carolina who introduced this bill. But, when the campaign is on, and of course I know a lot of you fellows over on that side are in a unique position, a lot more unique than mine, it is only necessary for some of you to follow the party. Well, out in Oklahoma when I represent 600 thousand of the hardest headed, clearest thinking, independent Americans, and I cannot go back and say, "The reason I voted for a certain bill against your interest is because I was following the party." That is not a good answer in my district and especially in view of the 70,000 majority that struck me right in the face last year and this prairie fire I just got out of. I am going to have to have a good explanation for those taxpayers. When I go and talk to my farmers and say, "Yes, I voted to up the price of wheat from \$1.81 to \$2.13 to save you money." They are going to say, "How much money would you have saved if you had not raised the price of wheat?" I am not going to have Members on this side of the Committee on Agriculture go around there to help me explain it. Maybe some of those things sound all right in the committee, but I would have to go out to some of these farmers that I have and sit on the wagon tongue all afternoon to explain that. I do not have that kind of time. Are you gentlemen representing the city districts going to have the time to sit down in the kitchen of every single one of your housewives and explain to them that you raised the price of wheat from \$1.81 to \$2.13 so that they could buy bread cheaper and buy flour cheaper and save them money? Are you going to be able to go out in the farm areas and say, "I cut your acreage so low that you cannot make any money no matter what the price is?"

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. BASS of Tennessee. The gentleman seems to have the political situation well in hand. Will the gentleman tell me how I can explain to my Tennessee farmers how I could vote for the Belcher amendment which would eliminate the 15-acre exemption?

Mr. BELCHER. Well, I would go back to those farmers and say, "Listen I think you farmers here in Tennessee that I represent"—

Mr. BASS of Tennessee. I hope the gentleman will not try to make a defeated candidate out of me. Let us talk politics.



Mr. BELCHER. I am giving you your answer to your Tennessee farmers. You should go back to your district and say to your Tennessee farmers, "I thought I represented the finest citizens in America. I did not think I represented a group of citizens who wanted an advantage over any other group in the gentleman's district."

Mr. BASS of Tennessee. I would remind the gentleman that the official reporter is taking this down and I am going to quote him.

Mr. BELCHER. Then the gentleman from Tennessee should say, "For that reason I voted to give you the same privileges that the wheat farmers in Oklahoma have. You have the same vote and the same price support and the same penalties and the same method of getting an allotment."

Mr. BASS of Tennessee. But, you would take it away.

Mr. BELCHER. If the gentleman will wait just a moment and let me finish. Does the gentleman from Tennessee not think that he is representing a citizenship that is honorable and honest and fair-minded enough to want to be treated just like all other farmers are treated?

Mr. BASS of Tennessee. They are as honorable and honest but they are just as greedy as your constituents and they want all that they can get.

Mr. BELCHER. Well, I am telling you. Maybe this sounds funny, but if the gentleman from Tennessee would listen just 1 minute. If you are talking about being greedy, I have an opportunity here today to get—90 percent of parity for these farmers out there in Oklahoma, if I just wanted to be greedy. I could accept the committee bill and go back to them and say, "Do you know what I did? I upped your price supports." But, I am not going to be that greedy because I know it is not good for them. I know it is not good for America. I know it is not good for the State of Tennessee.

Mr. BASS of Tennessee. It is not good for the State of Oklahoma, the State of Tennessee or for America to have 2½ billion bushels of wheat in surplus, now is it, may I ask the gentleman from Oklahoma?

Mr. BELCHER. That is right. I want to reduce that surplus without wrecking the farm economy or the taxpayers, either, in the same process.

Mr. BASS of Tennessee. How are you going to reduce it unless you have a drought or cut the acreage?

Mr. BELCHER. This elimination of the 15 acre exemption will eliminate enough of it to balance the production without increasing the costs.

Mr. BASS of Tennessee. In other words, you just want to destroy the little farmers and say to the big farmers that they can continue to plant all they want.

Mr. BELCHER. This big 40-acre farmer that I have here, I want that poor devil to live on that 40-acre farm just the same as your farmer that raises 100 acres of corn lives.

Mr. BASS of Tennessee. Well, be they devil or saint, I know of very few wheat producers in your area that produce as

little as 40 acres of wheat. I had the privilege of driving through your beautiful hometown of Enid a couple of years ago. There I saw a wide expanse of country in wheat production. I thought to myself then, "Well, certainly these people are doing well. They are selling their wheat at high prices and are being supported at a comparatively high level and at the same time they are able to produce and grow a crop on all the land that they can afford." But, we want to have just a little bit of wheat to take up the slack as we have been doing for a hundred years in the State of Tennessee.

Mr. BELCHER. Well, now, does the gentleman want to give all my people in the State of Oklahoma, in my area, the right to raise 15 acres of cotton and let us take it out of your allotment?

Mr. BASS of Tennessee. If they ever raised cotton in their lives out there, they are raising it today.

Mr. BELCHER. They are raising less cotton in the State of Oklahoma than they ever did.

Mr. BASS of Tennessee. My farmers have been cut just like your farmers have been cut in cotton.

Mr. BELCHER. But not one single acre went to farmers in the State of Oklahoma under any kind of exemption. We have been treated just like you have been treated in the cotton program. You treat every farmer I know just the same under the tobacco program.

Mr. BASS of Tennessee. Four years ago when tobacco was in the same situation as wheat is now, we came on the floor of this House and asked the farmers to take a 25-percent cut at one time and a 10-percent cut the next year. They took it.

I will say to the gentleman that price control leads to greater production unless there is effective crop control, whether the support price is 90, 50, or some other percentage.

Mr. BELCHER. Just one minute. Do not take over 5 minutes of my time.

Now let me get back to controlling production. Let me say to the gentleman from Tennessee and to the gentlemen from these other 15-acre States, you are not controlling any production unless you are willing to control yourselves. If you are willing to control your production it will work.

Mr. BASS of Tennessee. The committee bill would, if it gave my 15-acre men the same as yours gets, and under exemption only the 15-acre farmer gets hurt. I am saying for my people they cannot do it.

Mr. BELCHER. It is just like me saying I will take \$15 from you and I will give you \$3 back, so look what we are doing for you. You take 15 acres away from us and then give 3 acres back and tell us how you are being cut.

Mr. BASS of Tennessee. I am not even saying that to my farmers in Tennessee. I do not see how there can be any new 15-acre farmers. What am I to say to those who expect this year to plant 15 acres next year and be able to sell it on the market?

Mr. HAGEN. You ask the gentleman if he supported what the Congress provided on tobacco the other day.

Mr. BELCHER. There is quite a difference between the two bills.

Mr. BASS of Tennessee. I will say to the gentleman that most of the tobacco producers in my district grow their tobacco on a very small acreage. Were they to increase the acreage to 2 acres they would produce more tobacco than could be sold in the entire world, let alone the United States.

Mr. BELCHER. If you were to give 2 acres to every farmer in Oklahoma, you know what would happen. But I cannot yield further to the gentleman. Why does he not get a little time on his side?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(Mr. HOEVEN yielded 3 additional minutes to Mr. BELCHER.)

Mr. BELCHER. Another thing I just want to say that if you get the opportunity, whether you represent one section of the country or the other you have got to justify the cost to your taxpayers; and, after all, every single wheat farmer is a taxpayer. You will not under my bill have to go to him and justify a price rise from \$1.81 to \$2.13 a bushel. But remember at the same time every increase in the cost of wheat is reflected in the cost of bread. The cost of bread has been going up over the years and is still rising. With wheat at \$2.13 a bushel when somebody next year says the price of bread went up 2 cents a loaf because you got \$2.13 instead of \$1.81 a bushel for your wheat, how are you going to explain that to your taxpayers? I am not asking you to do that. I am not asking you to raise price supports.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. O'HARA of Illinois. I am one of those city fellows who need advice. Will the gentleman clarify what he is advising us to do? Are we to vote according to political expediency?

Mr. BELCHER. I can tell you how you can vote according to the welfare of the country and political expediency at the same time.

Mr. O'HARA of Illinois. I am afraid the gentleman did not understand my question. Is the gentleman advising me to vote from political advantage or disadvantage, or to vote according to the welfare of my own people and my own conscience?

Mr. BELCHER. I want to say to every Member of this Congress that during the 9 years I have been here I have not questioned the motives of any man and I do not intend to do so today. I hope that no friend in this House votes for this bill because he is a friend of mine, and if I have any enemies I hope that none vote against it for that reason. I advise the gentleman to select between the two bills, use the best intelligence and judgment that the good Lord gave you and let your conscience be your guide. If it says my amendment is better, then you should vote for it. If it does not, then vote for the committee bill.

Mr. O'HARA of Illinois. I wish to get the gentleman's advice clearly. Remember, I am a city fellow and need guidance in how I should vote. If I vote to help



the farmer would I be doing a foolish thing for a man coming from the city? Is that what the gentleman is telling me?

Mr. BELCHER. I cannot understand the gentleman.

Mr. BASS of Tennessee. The gentleman from Oklahoma knows that the price of wheat by the bushel has no more effect on the price of a loaf of bread than the price of cotton has on a silk suit.

Mr. BELCHER. The gentleman might have a thickheaded taxpayer in his district that cannot understand how you can pay \$2.13—

Mr. BASS of Tennessee. I do not have any in my district, sir.

Mr. BELCHER. I wish the gentleman on my time would at least listen to my answer.

Mr. BASS of Tennessee. I will.

Mr. BELCHER. I tried to be courteous to every one of you and yielded to all of you. You took about two-thirds of my time.

Mr. BASS of Tennessee. I will listen.

Mr. BELCHER. I may say to the gentleman regardless of what you want to do as far as this bill is concerned, what you do is O.K. with me. I say to every Member of this House: Vote your own conscience, use your own judgment. Whether you vote for me or not is all right with me. I have presented what I sincerely and conscientiously believe, after living in the wheat area for 60 years, to be good for the entire country. I have sought to treat every wheat farmer alike, I have sought to treat all taxpayers alike. I brought in what I think is a fair bill; and I hope you will vote for it. If you do not think it is a good bill, vote for the committee bill.

Mr. BASS of Tennessee. I certainly concur in the gentleman's sincerity.

Mr. COOLEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, the question of high parity supports causing the consumer to pay more in the marketplace cannot be proved by the facts.

Here are the facts: In 1948 the farmers were getting \$2.81 per bushel for their wheat. A pound loaf of bread cost 13.8 cents.

In 1955 the farmers were getting \$2.14 per bushel for their wheat. A pound loaf of bread cost 17.5 cents.

In 1957 the farmers were getting \$2 a bushel for their wheat. A loaf of bread cost 18.8 cents.

Between 1948 and 1957 wheat prices dropped 29 percent to the farmer but the prices to the consumer increased 38 percent.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I requested this time to keep the record straight. I am not going to give you any statistics, because I do not think you can analyze them during this short time. I am not a wheatgrower, I am not a farmer, I have no financial interest other than as a taxpayer in this bill. I was a member of the Wheat Subcommittee and attended practically all the

hearings. From that standpoint I can give you some information as to why you should support the committee bill.

The chairman of the subcommittee has told you we could bring out no bill that any two farm organizations would agree on. We have brought out a bill which does three things. It will cut production, it will reduce that great abundance of wheat that we have, and it will cost less than the present program. That is important over what we have.

With reference to the gentleman from Oklahoma [Mr. BELCHER] and his amendment, he says he wants to treat all people alike. On many occasions we do not treat everyone alike. I do not know whether the Member from Oklahoma feels that we should have an income tax based on the same rate for all people. That would be treating us all alike. The present law and the committee wheat bill do not treat everybody alike. They both do give preferences to the small wheatgrower. In other words, it will not hurt him. But there is one thing Mr. BELCHER's amendment would do, which I think is important. It is in that area where the 15 acres operate now that most all of the Soft Red wheat is grown.

I have a telegram here addressed to the chairman of the Wheat Subcommittee, and I think other Members have this, reading:

CHICAGO, ILL., June 11, 1959.

Hon. CARL ALBERT,  
U.S. House of Representatives, Washington,  
D.C.:

With reference to our wire of June 10 we wish to emphasize that we must oppose the Belcher bill as it presently stands or any bill which would eliminate the small farm exemption from quotas. Soft wheat largely comes from small acreages and elimination of this exemption would work irreparable harm to Soft wheat production at a time when every bushel is needed.

NATIONAL SOFT WHEAT MILLERS ASSOCIATION GRAIN COMMITTEE.

J. E. SKIDMORE, *Chairman*.  
R. M. HUFFMAN, *Secretary*.

There are all kinds of wheat. But there is no surplus of the Soft Red wheat which is grown in the areas where the 15-acre farmer produces wheat.

He will not be contributing to any surplus. This reduction of 25 percent will reduce wheat production in the areas where the surplus has built up. That is why this committee bill is needed. The Belcher bill would permit a continuation of the build-up of those types of wheat for which there has been no great demand and which has consequently brought about this great storage problem that we have.

Now, there was a lot said here yesterday and probably there will be more said about this privilege of voting today. The gentleman from Ohio yesterday kept talking about the disenfranchisement of people because the man in the 15-acre bracket did not have a vote. He does not have a vote now. He does not want to vote. When there is a vote on wheat referendums under present law today, approximately 20 percent of all the growers throughout the Nation vote. There is no demand to vote. The farmer who produces wheat under the 15-acre

exemption realizes that he does have a participation in the program; that he does get the benefit of the overall program; that he does get the benefit of the support price, and therefore he is not asking to vote on this. I will say this, that anyone who wants to destroy the entire farm program should vote for the Belcher bill, and if you vote for that type of administration, you will soon be rid of all of the farm program we have.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. SHORT].

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, probably no legislation that will come before this body in this session or any other session will be of more importance to more people in my State than the legislation we are considering here today. I certainly hope that we can lay aside some of the political aspects of this type of legislation. I certainly hope that we can consider this thing dispassionately in an attempt to try to come up with some answers to a problem that I think has to be answered by this Congress.

As one of only two representatives from a State that produces roughly 10 percent of the total wheat produced in the Nation and as a representative from a State that has on at least one occasion produced more wheat than any other in the entire Nation, I feel I have a great interest and responsibility in the consideration of this wheat bill, H.R. 7246. As an individual, I am a wheat farmer and cattle rancher. I have spent my entire life as an operating farmer and rancher and have had a great deal of experience living with the ups and downs of agricultural commodity prices. I know what it means to enjoy the prosperity that favorable prices can provide for anyone deriving his living from agriculture. I know what it means to suffer the hardship that inevitably must accompany price adversity. I do not believe the only solution to the farm problem is lowering the price. I do not claim to be anything of an expert on farm problems. I do not claim to know the answer to the basic problem of stabilizing the farmer's income. I do know and I believe most people realize that there is a problem and it is the responsibility of the Congress to take steps to correct the situation. Congress got farmers into this situation by not taking steps it should have.

Right here I believe I should remind you that the so-called farm or agricultural problem is nothing new or something that has just developed recently. For endless generations there has been a recognition that farmers, for some reason, did not enjoy quite the same stability of operation or the same level of income as other segments of our economy. Probably a major part of the concern of society over the welfare of the farmer stems from the fact that other segments of our economy are adversely



affected when the farmers' purchasing power and ability to spend is reduced. Probably no other single industry plays as large a part in the welfare of our economy as agriculture. When farmers are hard up, almost everyone suffers to some degree. Some form of agricultural operation is carried on in almost every county in this entire Nation. Perhaps this fact that farmers are so numerous and widespread is the greatest single reason why farm production and the consumptive capacity of the Nation is and always has been continually getting out of balance. There is too great a difference between individual farmers and growing conditions throughout the Nation for the farmer himself to do much about regulating the amount of any commodity produced on a national basis. This is particularly true of wheat grown in nearly every State. In some instances of a specialty crop grown on a localized basis, farmers have been able to control the amount of a commodity moving to market and thus maintain a fairly stable and satisfactory price. It is most certainly a peculiar twist of fate and a blessing often overlooked these days by the nearly 90 percent of our population who are not farmers that the problem of agricultural prosperity stems from having too much of the basic food and fiber necessities of life rather than too little. This Nation is beyond any question of a doubt the best clothed and best fed of any nation since the dawn of history, and certainly in the world today.

There are many degrees of thinking regarding the end objective of obtaining for farmers a proper balance pricewise between farm income and farm expenses. In the form of legislation, suggestions range from the one extreme of abandoning all Federal price support programs entirely to the opposite extreme of regulating every last item of farm production and the application of a parity price for what the farmer was allowed to produce.

Both approaches, I feel, must be given the benefit of recognizing the sincerity with which the sponsors of the suggested legislation have introduced their ideas.

Those who would abandon the price support approach must be given credit for believing that the American free enterprise system will, if given a chance, bring about a fair return for producing a needed product. We have, as examples to justify this contention, many agricultural products which have had no support program and which are in a more favorable position as to price than most of the commodities which have had programs for many years. In North Dakota, the best examples of the results of these two approaches are cattle and wheat—cattle with no Government program are in a more favorable price position than wheat which has had a program since the early thirties. The basic difference here is that the supply and demand factor has been allowed to function in the instance of cattle—when too much beef was being produced, the price went down and resulted in increased consumption and discouraged production. Cattle producers have severely felt these adjustments from time to time, but the end result has been that no great sur-

pluses have been accumulated and the price quickly recovered.

The story with wheat is somewhat different, of course. During the war years, in fairness to farmers, an incentive was provided by a high support price to justify a farmer's all-out production of a vital strategic material—wheat. When the war ended, however, the price was maintained in fairness to the farmer as a producer of a commodity that had been needed for winning the war. This was only a reasonable consideration of wheat farmers, as compared to other industry, as most industrial operations were given tax writeoffs and numerous other considerations to compensate them for adjusting back to a peacetime economy. For the wheat farmer, however, the adjustment was somewhat difficult. During the war years the transition to farm mechanization made greater strides than ever before, saddling the farmer with higher fixed costs than he had ever before experienced. The attractive war prices had encouraged thousands of farmers to begin raising wheat who had never raised wheat before, and countless thousands of acres of new land were put into wheat production. The end result was that we had built up a production machine in agriculture somewhat beyond the consumptive capacity of the Nation. As the farmers' future welfare was analyzed by thoughtful people, it was concluded that a very large part of our whole economy was directly or indirectly dependent upon the farmers' prosperity and buying power. Recognizing that if prices were to be maintained at satisfactory levels production would have to be cut back, farmers and people interested in the welfare of farmers began looking for some means of delaying the day of reckoning. The device of continuing the high price support program was hit upon as a mean of stabilizing the farmers' income, with a hope that some market would develop for the excess production. There was always the possibility that foreign markets could be expanded to absorb what we produced beyond our domestic needs.

A vast divergence of opinion has developed among farmers and farm organizations regarding the responsibility of the Federal Government in maintaining farm commodity prices—the complete control and high guaranteed price proponents on one side, and the complete freedom crowd on the other.

The rank and file operating farmer was usually somewhere in between. He was aware that prices of things he had to buy were going up faster than the things he sold. He was also aware that he was competing in a field where labor prices were somewhat fixed by law and where industry could control production to fit the demand. The average farmer, regardless of his inclinations politically or philosophically, recognized that he was at a disadvantage in competing for his just share of the consumer dollar. He had no way to control his production, since the weather is the big factor in influencing production. Due to his great numbers and vast area of operation there was little

possibility of effectively controlling the marketing of his products on a national basis. Farmers do not believe that the only solution to this problem is a reduction in prices. Recognizing their imperfections and inequities but for the simple lack of anything better, a majority of the farmers were inclined to go along with price support programs.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, the legislation before us was drafted in the national interest. The basic question which it asks us to resolve here today is this: In the face of mounting wheat surpluses and rising storage costs, do we want wheat farmers to plant 55 million acres of wheat in 1960 and again in 1961, or 41 million acres?

If the legislation before us is defeated, farmers will again plant 55 million acres to wheat.

If the legislation is approved, farmers will cut back production by 14 million acres to a total of 41 million acres.

This is not the kind of a bill that is easy for wheat producers to accept.

Why then, do we ask them to make such a drastic cut in production?

Because to continue at the present level of production is to flood Government grain bins that are already overflowing.

We have 1½ billion bushels of wheat under storage now and the taxpayers are paying out 18 cents a bushel every year to store it.

The bill before us will cut wheat production by 480 million bushels.

Instead of adding 150 million surplus bushels to Government stocks in 1960 and again in 1961, it will end surplus production and use up 90 million bushels already in storage.

The net result is a saving of \$528 million for the 2-year life of the bill. In voting for this bill you are establishing an economy record that is worth half a billion dollars to the American people.

If you vote against this legislation you will have the responsibility of explaining to your constituents that you wasted half a billion dollars of their money for the purpose of piling up wheat that we do not need and on which we will be paying 18 cents a bushel storage annually for as long as it is held.

Some gentlemen have said that farmers will step up their efforts to grow more wheat by adding fertilizer to their reduced acreage.

This would be true whether we pass the bill or not.

But the expert testimony before our subcommittee established that at least for the time being, farmers have reached the maximum use of fertilizer as an aid to greater production.

It is true, as estimated by the Library of Congress researchers, that the 25 percent reduction in acreage will actually produce only a 20 percent cut in bushel production.

But the point is that this 20 percent reduction gives us 480 million fewer bushels of wheat, and saves the taxpayers \$528 million, during the next 2 years.



Nor does this bill hurt the wheat farmer. By assuring him 90 percent of a fair price and giving him surplus wheat stocks from Government bins equal to one-third of his average production on the 25 percent of his acres taken out of production, we hold farm income from dropping further.

At the proper stage of our consideration of the bill, I intend to offer an amendment limiting wheat price support loans for any one producer to a total of \$35,000.

There are those who argue that assuring farmers 90 percent of a fair price on their wheat will raise the price of bread. This is a myth.

There is only 2 cents worth of wheat in a loaf of bread. Even if the farmers gave their wheat away, it would not change the price of bread 1 cent. The average wheat price paid to farmers in 1952 was 2.09 a bushel and a 1 pound loaf of bread sold for 16 cents. Last year the average price for wheat had fallen to 1.72, and bread was up to 19.3 cents.

Other gentlemen have contended that they are indifferent toward the bill before us because it relates only to wheat. I personally wish that we were now ready to move on a comprehensive new farm program relating to the whole range of farm production—a program which would balance the needs of farmers, consumers, and taxpayers. Such legislation has been introduced by several Members of the Congress including myself and we have been assured by the able gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture will begin hearings on these bills on June 16. Both the 84th and 85th Congress passed comprehensive farm legislation only to have it killed by presidential veto. This, however, does not absolve us our continuing legislative responsibility to try again for desperately needed comprehensive legislation designed to meet the mounting crisis in agriculture.

But neither does the need for sweeping farm legislation provide us with an excuse for rejecting the solution now before us relating to the acute emergency in wheat. This is legislation in the national interest and deserves the support of both farm and city.

Since coming to the Congress 2½ years ago, I have consistently voted for legislation that did not directly benefit the farmers of my district because I believed such legislation to be in the national interest.

I say to my city friends in the Congress that if you want those of us from the wheat States to be voting with you in the next Congress, you will support this bill.

I say that not because we would be so shortsighted as to vote against the public welfare out of spite, but because of the blunt fact that if this democratically controlled Congress permits constructive farm legislation to be sabotaged, a good many of us from the rural heartland of the Nation will not be around after 1960 to help you on needed urban legislation.

Let me read you the national platform of the Democratic Party in 1956—a plat-

form drafted under the chairmanship of our great majority leader—a man from a city district who has always had the broad vision and warm heart to know that farm and city are interdependent. This is the platform that the American people had in mind when they entrusted our party with the control of Congress in 1954, 1956, and 1958.

It reads:

The Democratic Party pledges \* \* \* to regain the full 100 percent of parity the farmers received under the Democratic administrations. We will achieve this by means of supports on basic commodities at 90 percent of parity.

I plead with my colleagues on this side of the aisle who control this Congress not to betray that sacred platform pledge.

I plead with you not to desert those of us who have stood with you in support of vital welfare measures.

I plead with you in the interest of economy in Government to reduce these mounting surpluses and Federal storage costs that are wrecking our farm program and penalizing our taxpayers.

I plead with you in the interest of the men and women and boys and girls who till the soil in long hours of sweat and toil.

I ask that you support this legislation in the national interest.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSEN of Minnesota. I think the gentleman has hit on the real difference as to what should be considered between these two proposals. I am trying to determine in my own mind under which proposal will we have the less production. Our big problem is overproduction today and to me it is senseless to continue to mine our soils to produce wheat only for storage and deterioration.

Mr. McGOVERN. May I say to the gentleman from Minnesota that I know he is an informed Member on agricultural issues. It seems that any reasonable person would agree that if we could take 14 million acres of wheat out of production, we are going to have substantially reduced volume of wheat production. The gentleman from Oklahoma [Mr. BELCHER] has a proposal that would doubtless win the support of a certain number of our wheatgrowers, but he still permits 55 million acres of wheat to be planted under the allotment program in 1960 and 1961.

Mr. ANDERSEN of Minnesota. May I ask the gentleman: Are these figures which you are quoting fairly well verified in the hearings?

Mr. McGOVERN. These are figures that were supplied by the Legislative Reference Service of the Library of Congress. They are figures that are contained in the majority report of the committee. I think they are conservative figures. The Library of Congress says that instead of a 25-percent cut in wheat production, we will actually get only a 20-percent reduction under the committee bill. But the point is that with the 20-percent reduction we will get 480 million bushels of wheat out of our present level of wheat production and we

will save \$528 million in tax funds in operating the program.

Mr. ANDERSEN of Minnesota. The gentleman has given some very worthwhile information. Can the gentleman answer one further question that has come to my mind since I have been listening to this debate. Under which proposal will the good of the program in the future be most accentuated? In other words, if we accept the proposal of the committee, will we assume that the price support program has every opportunity to continue? Or if we accept the proposal of the gentleman from Oklahoma [Mr. BELCHER] is that the beginning of the end—similar to what we have in the corn program today?

Mr. McGOVERN. I know the gentleman from Oklahoma [Mr. BELCHER] has offered his proposal in good faith, but my great fear and the fear of my wheat-growers is that it will result in voting out the entire wheat program. I think that would be disastrous to all concerned.

Mr. ANDERSEN of Minnesota. I thank the gentleman for his courtesy. He comes from a surplus producing area as I do and in the problems affecting agriculture we are very much in accord.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Kansas. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

(Mr. SMITH of Kansas asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SMITH of Kansas. Mr. Chairman, the present bill under consideration today is the result of several months of cobbling exercise by the House Committee on Agriculture. Any cobbling or patching-up effort on any project is just a temporary repair and eventually just has to be scrapped. When we patch a tire, we are just putting off the day when a new tire will have to be purchased.

That is the position we are in today. This measure is only for 2 years. Eventually the Congress will have to buy new tires for this wheat program or else just junk the wheat vehicle.

The chant against the so-called farm program has been particularly loud and long in the city press and over the TV and radio. They all have a lot of statistics and figures supplied by the farmer's own U.S. Department of Agriculture as to the increasing costs of our surplus stored stocks of surplus grains. All these comments try to infer that the farmers got themselves into this mess so the only solution is to give them back to the Indians. This is not going to happen, but many would apparently like to see this come about. There is no one else in the economic life of our Nation who has to live by the law of the jungle, and the farmer is not going to be compelled to do so.

We, who have spent some time over the years on this complex farm problem, fully realize that for any program to be made to work must have a sympathetic administrator, which we have not had for



the past 5 years. But anyone who is familiar with the legislative progress of Federal programs fully realizes that no program is ever perfect, but it helps if the Administrator is sympathetic with its purpose.

The biggest handicap we have in trying to write a farm program is due to this fact—you just cannot hide excess bushels of wheat, corn, or a bale of cotton—they must be stored. When we pass tax laws, social security benefits, unemployment taxes, and a thousand tax gadgets to get more money in the till they are all cleverly hidden and concealed from general public view. Not so with surplus crops; they are in the public showcase.

Over the past 5 years thousands of editorials have been written and countless speeches have been made about the enormous cost of storing our surplus wheat. Every paper from the New York Times to the lowest provincial weekly always starts off by showing how much Uncle Sam is paying for these storage charges.

There is probably no field of general human interest where there is such a diversity of opinion, as to causes, as in the discussion of the so-called surplus farm food problem. The basic facts involved are little understood by the average person. But, as is the case when some spectacular crime is flashed all over our newspaper headlines, everyone seems to know "whodunit" and is certain "so and so" is the one who caused it all. Those with the least experience and who have the fewest facts are the loudest for their own theory in the solution of this surplus. In this so-called tragedy of surplus crops those who know the least about the facts are the most certain that they know just where to find the guilty party—and strangely enough the Hawkshaws and Ellery Queens who claim they have the solution to the farm problem live in the large cities, and most of these city experts would not know the difference between a Holstein and a Plymouth Rock. These experts always come up with about the same answer, which is this, "The guilty party is that grasping, greedy farmer riding around in a Cadillac with both hands in Uncle Sam's pockets."

We are all familiar with doctors and their modern methods of diagnosis. If after a diagnosis the patient fails to respond, to the modern doctor it would indicate a wrong diagnosis, and the doctor instead of just giving aspirin or anacin would attempt to make a new diagnosis. But in this case of wheat we do not have to make another diagnosis, it is simply overproduction. What we must search for is a remedy for our overproduction or the surplus of wheat at present in Government warehouses. The doctor will tell you when he has made the correct diagnosis his basic problem is solved, because modern medicine can work miracles, except when the disease is cancerous. From 10 years of effort it may be that the "wheat surplus disease" is almost cancerous because so far no one has come up with a solution.

But to those who want to know more and who desire to be fair and are willing to listen in regard to farm surpluses,

here are some facts not derived from Benson fairy tales or from the Brannan plan.

In 1933, after Roosevelt was elected, Congress, listening to the siren songs of the panacea peddlers came up with a brandnew idea that would solve the growing of surplus farm crops. They said it was a new concept, although the Code of Hammurabi told the same story on clay tablets 5,000 years old.

This new panacea was called the Agricultural Adjustment Act of 1933. This act provided that certain agencies were to investigate conditions of overproduction. The drought years of 1935-36 eliminated the surplus just as the droughts eliminated surplus back in Joseph's day in Egypt. Then some good weather, and a little more know-how again started the legislative wheels to rolling and the Agricultural Adjustment Act of 1938 was enacted by Congress, but this time the legislation read, "This act is to protect the farmer in drought years as well as lean years."

This act of 1938 is still the basic agricultural law. For the past 20 years, through World War II and the Korean police action, the Congress has tampered, tinkered, patched, and cobbled on this 1938 coat of many colors, all in the guise of helping the farmer. It seems to be the certain definite mark of all farm legislation to go on repeating the mistakes of the past. You do not change principles by calling them new names or putting on a gaudy patch to cover up some old well-worn hole in the seat of the garment. There has only been one stated objective in all so-called farm programs and that was to stop overproduction and give the farmer his fair share of the economic wealth of this Nation. The basic cause why these programs have not benefited the farmer in the long run is that the patchers, the tamperers, and the meddlers in patching up this old frazzled 1938 act could not see that their program was off the economic road and headed for the swamps and morass made up of Government bins and warehouses. The political expediency experts could not see that; all they were doing or trying to do was to defy the economic law of supply and demand. These political expediency panacea experts could have just as profitably spent their time in trying to invent a perpetual motion machine. They would have been just as successful with a perpetual motion machine; in fact, it would have been much better because they would have saved billions of dollars to the American taxpayer.

Figures are generally not well received because many times their accuracy is questioned, because it certainly is not an easy task to compile them from so many sources. However, we must assume the Department of Agriculture certainly has access to the proper source for farm products statistics.

The Commodity Credit Corporation says that as of January 1 it owned 60 percent of all the wheat in the United States, 8 percent of the oats, 40 percent of the barley, 37 percent of the rye, 35 percent of the corn, 65 percent of grain sorghum, and 23 percent of the soybeans. The above figures expressed in bushels

is 8,108,000,000 and of these bushels the Commodity Credit Corporation owned 3,279,000,000, or 40 percent. It is stated that Commodity Credit Corporation stocks have increase 26 percent over a year ago. The tragedy of all this surplus grain in simple terms means that if we dumped all these bushels on a free market, as many advocate, we would break and bankrupt every farmer, grain farm elevator operator in the United States, and seriously interfere with the whole economic life of the United States.

I am well aware that there have been hidden hands pushing these so-called farm programs down the socialistic road to a blueprint planned welfare State. The speaker is not willing to throw all farm programs out of the window for reasons stated above, but any farm legislation that does not have as its basic objective a start to get rid of our Government-owned surplus grains in elevators is not a step in the right direction. We have had enough of tinkering and grand experiments. Let us start to realize that this surplus program cannot be solved by more of the same patching, cobbling techniques. The only goals we should have is to gradually get rid of our surplus; then start toward a free market, free prices, and freedom of the American farmer.

But this ideal is hard to obtain, for the simple reason that there have been many patchers, tinkers, and panacea peddlers in other economic fields. The so-called foreign aid program has brought us nothing but competition in the world markets for our excess farm products. It is fairly easy to prove we have lost at least 300 million bushels of export grain by our benevolent giveaway programs. Anyone with any degree of intelligence will have to admit that minimum wage laws are a subsidy. All tariff laws are subsidized as well as perhaps 10 or 12 more industries who have had and still have their hands in Uncle Sam's pocket, to the tune of billions.

Every farmer knows, except one who does not want to work—and there are some who seemingly want to stay in this slough of Government controls—that the ultimate solution to the American farm problem is to beat back to the free market concept. But in the U.S. economy today the farmer is the only one whose income is going down while his costs are going up. Mr. American Farmer just knows that he cannot be the only rugged individualist in our American economy.

Perhaps the most complex of all our surplus food problems is how to get rid of the 1 billion bushels of surplus wheat now on hand. If you are interested in the basic cause of this surplus wheat remember these facts.

Today in America you cannot increase the consumption of wheat by lowering the price, because wheat is essentially a human food. Our dietitians have helped to decrease the amount of bread Americans eat. The consumption of wheat 50 years ago was 6 bushels per capita. Today we eat less than 3 bushels per capita. Potatoes and bread—longtime basic foods—are sliding downward yearly in the annual consumption per capita. If we ate 6 bushels per capita today in



America there would be a shortage of wheat for human consumption. Last year—greatest wheat production on record—we only produced about a billion bushels. Today there is a population in the United States of 173 million. Multiply this by 6 and you get 1,038 million bushels that would be needed to feed just the American people, let alone any export wheat.

The farmer buys in a market of administered prices; that is, prices that are determined in a large degree by governmental actions. Certainly the minimum wage laws directly affect the price of what a farmer pays for a tractor. Certainly the policy of guaranteeing remunerative contracts to the producers of missiles, atomic weapons, et cetera, adds to the farmer's taxes. Certainly the railroad retirement system adds to the freight bill on everything that the farmer buys, as well as everything that he sells, and he pays the freight both ways. The average income of people on farms is today only \$1,027, while the average income of people not living on the farms is \$2,040. In other words the average person on the farm is making just one-half as much as the person not on the farm and one-third of all of the income of people on the farms comes from nonfarm sources.

To deliberately adopt a policy that would still further decrease this pitifully small farm income, while holding non-farm income to its present levels, is so contrary to my feeling of right and wrong that I cannot seriously consider going back to the freedom of 1932.

It seems quite apparent to most persons who try to analyze the present farm problem that they cannot agree with Secretary Benson's basic policy—whose philosophy is: We must have no controls or price supports. In fact, Secretary Benson, President Eisenhower, and the president of the American Farm Bureau—have all advocated lower prices and less acres for the wheat farmer, in order to get rid of our surplus.

Everyone knows that the cost of storing Government wheat has been too high. The figure generally given as the annual fee for storage of various grains are: wheat 21½ cents, corn 19 cents, and 14½ cents for oats. Why such exorbitant fees? Because the elevators have been efficient lobbyists. There are many others besides the terminal elevators who have labored arduously to get overproduction because they would be financially benefited. Some of the biggest "farmer's friends organizations" have been the loudest in trying to keep the present programs.

Here is what one authority outside of Government had to say about this storage racket:

Wheat in the Southwest is a notorious case in point. Elevators store wheat for the Government at usurious rates. They are responsible for grade. But weight and grade are not frequently checked. And grade is not the sole measure of quality. Elevators take CCC wheat, take out the high protein wheat and the best milling wheats and replace it with their own low quality wheat. The Government and farmer-owned wheat is put through a continuous culling process

that enables the elevators to sell premium wheats and leaves the storing public with grain fit only for feed. Just how much milling quality wheat does the Government really own?

It has always been my belief that any so-called wheat bill which does not have as its basic objective—cutting down on the storage charges and getting rid of our excess bushels of wheat—is a bad bill. That is why I have always advocated a bushel allotment plan with the proviso, if the farmer raised excess bushels over his allotment he must store it at his own expense on his own farm and at his own risk. To compel him to store this surplus wheat in his bins would save millions for the taxpayer, because we already have been told today and will be told again and again the United States is paying in excess of \$1 million a day in storage charges.

This bill contains, in my opinion, three vital provisions; namely, first, it will cut down bushels in storage; second, reduce production and at the same time and, third, not reduce the price to the farmer. This bill cannot solve all the inherent problems of wheat production, because we must remember there are 1,816,000 farms in America that produce wheat. Almost every one of these wheat farms has a peculiar individual aspect that will be readily apparent when the farm goes under the rule of law. One of the basic objections to most of the past farm laws was—it was impossible to make allowances for the types of soil, climate, rainfall, and so forth, that are found throughout the United States.

Fifteen acres of wheat in the rich blackland, high-rainfall area of the upper Mississippi Valley will produce more wheat over a 5-year period than will 80 acres in the high plains area of Kansas, Oklahoma, Nebraska, or South Dakota because of climate, drought, and insect damage. Yet allotments are always the same in all areas. It has always seemed a bit unfair to allow the man with Government irrigation facilities to have the same allotment by law as the man who has to depend on nature for his moisture.

We all know that the farmer for the first 150 years of this country was an independent operator free to plant, grow, and sell, but after the 1930 era of depression and overproduction Congress started out to try and solve the economic problems of supply and demand by regulating production.

A great many people, including some farmers, believe the only solution to the present farm problem is return to a free market—if it were possible for the farmer to buy on a free market, without any Government regulation, minimum wages, price floors, or many other compulsions that affect the price the farmer must pay to survive. Not only do these compulsory price raisers come from the Federal Government—but from the States attempt to raise additional revenue to use for all the social services devised by our modern society.

Recently in discussing this aspect of the farm problem and why the farmer cannot be expected to be the only rugged

individualist in our economy, Assistant Chairman POAGE of the House Agriculture committee said:

Many city people can't understand why their food costs rise—and the farmer can't understand why the price he gets goes down. Of course; there are reasons and it is hoped this article will help to point some causes. The farmer thinks he is being imposed upon by his Government and society in general. The farmer knows that people not engaged in farming are just as much dependent on farming as they were 100 years ago—when one farmer could produce enough for himself and three other people—today a farmer can produce enough food for 20 others—and probably this figure will continue to grow.

Let us examine a few basic reasons for these high food prices. Last year 60 cents of your every food dollar went to the people who bought, handled, sold, processed, transported and packaged these food products; less than 40 cents went to the farmer. Let us take another look at another aspect of this food cost. In 1946 an average American family spent \$767 for food; of that sum, the farmer got \$397. In 1957 this same family spent \$1,010 and the farmer only received \$3 more, or \$400. The farmer's share went up \$3 and the cost to consumer went up \$240.

Let us take a look at another view of these food costs. From 1952 to 1957 the farm prices decreased 20 percent. In 1952 farmers got an estimated income of \$15.1 billion. In 1956 this income dropped to \$12.1 and last year it was down to \$10.8 billion.

What would have happened to consumer food prices if these farm-produced foods would have gone up like all other costs? We would have paid 25 percent more for food. It is a bit difficult to put across, but it can very readily be proven to those who wish to be fair—that in strict reality the farmer has been subsidizing the food buyer.

The farmers now make up only 12 percent of our total population yet they only got 4 percent of total income. Last year farmers' tools cost \$4 billion more than they would have cost in 1952. In 1950, 25,058,000 lived on farms. Now in 1958, though the U.S. population is increasing rapidly, there are 5 million fewer farmers, and most significant one-third of the net farm income came from nonfarm jobs.

In any grocery store or almost in any Congressman's mail you will find this statement: "If they want to keep within the budget—why not quit subsidizing the farmer?"

Please remember this: Just name one business that does not receive some type of Government aid. It may not be readily apparent, but on careful search Government help will show up. In the last 50 years for every \$1,000 this country has spent on subsidies the American farmer only got \$5.

Many forget and do not seem to care for the truth as to what is actually spent on farm supports—there are many items charged to the Department of Agriculture that are not farm supports. Should farmers be charged with meat inspection? Should the farm program be charged with 872 million pounds of food



given to the school lunch program? One million four hundred thousand pounds of food for people needing help in national disasters? Should the farmers be charged with all the foods that have been given away under the Marshall plan?

The farmer gets a bigger share out of each food dollar that is spent for poultry and eggs than any other dollar, 65 cents. But the farmer only gets 48 cents for dairy products and 22 cents for grain products and the big bulk of the farmer's income is derived from grain.

In any discussion of what the farmer gets we must always remember that the farmer is the only person in our economy who has to say, "How much am I offered?" The farmer is simply a price taker not a price setter. There is also another factor our city critic cannot quite understand: A farmer has a partner in all his food production; this partner is stubborn, undependable, erratic, unpredictable, and most often uncooperative. Who is this partner? "Old Man Weather." He can rob a farmer's pocket quicker than 10 pickpockets.

The above factors are all controlling and must be considered by every successful farmer, but no one sitting in the Department of Agriculture bureaucracy ever seems to think of these factors when they start their planning for farmers. These planners are always insisting a cotton farmer in the uplands of Georgia is entitled to some same base acreage allotments as the farmer who irrigates on the fertile soils of Texas and California.

Another factor our city consumer does not realize is this: If farmers produced today with the same methods they used in 1940 the consumers food bill would be \$13 billion a year more. The consumers seem to think because we have stored up some 3 or 4 billion dollars of excess food that this is an extravagant waste of tax money. But this 3 or 4 billion is saving the food consumer some 13 or 14 billion in increased food prices.

Today the farmer must withstand the hard knocks from low prices, reduction of acres, and a rising cost of living for the things he must purchase. The farm program theory of Secretary Benson has been "reduce the price support and you will get rid of the surplus." This theory should be thrown out the window. It has not worked in the past and it will not work in the future; because the farmer will simply put more effort, more fertilizer, and with good weather produce more crops. The farmer must have dollars, so he goes after volume because with enough volume even at a lower price he can get more dollars.

The farm problems and surplus crops are not one for the farmers alone. Our population increases 8,000 every day. It is estimated that by 1975 we will probably have 235 million people to feed and clothe. No one advocates that we eat our way out of this surplus. Most important thing to remember is that the American people are eating more meat, more fresh vegetables, more milk, and more cheese. The staple, old-fashioned foods such as bread, beans, and potatoes are off a lot of peoples' diets. When you go to the big supermarkets and see hundreds of food

items on the shelves from all over the world and then when you buy a complete frozen meal that you prepare in 20 minutes, do not blame the farmer for the cost of this food. And do not forget the producer of food today is just as important a person to you as the producer who got the food for your great-grandfather by using a gun, sickle, and a hoe. Modern civilization and our standard of living is simply the result of someone producing food by using soil and water.

The average citizen of our high-plains area who thinks of the falling farm prices while things he buys goes on in the upward spiral, must recognize certain forces as to why we continually build up our surplus food products.

In 75 percent of the letters that are written to me in regard to the United States surplus of food products, this idea or thought will appear: "Let us give these excess products to the needy people of the world and quit paying storage on them." That is a fine Christian concept but it is not that simple. Let us take a little closer look. Each foreign nation is sovereign and has the right to control its own people and affairs just as we do in the United States. You cannot load a shipload of wheat, rice, lard, cheese, and milk products in the United States and sail to a foreign country and unload the ship and say to the citizens of that country: "Come and get it." The foreign country will not permit it because they will simply say, "These are our citizens. We have farmers and storekeepers and you cannot drive them out of business by dumping your products on us." Then again, some of these countries will say, "You cannot make paupers out of our people. We will take the products you offer and distribute these as we deem just and equitable." Which means selling it through their regular trade channels. I am sure that we would not permit some nation to distribute its excess products, free of charge, to our people, thus depriving our own farmers and businessmen their right to their normal profits. That is basically why foreign governments will not permit us to give away our excess farm products. Even when church groups distribute these excess products the countries still strictly control the distribution.

Let us also look at some more barriers and reasons why it is difficult to dispose of our excess products in foreign countries.

Each foreign country has a quota system, permitting only so much of a product to be imported. Belgium has a requirement that all bakeries must use 90 percent Belgium flour made of wheat grown in Belgium. Other countries have similar requirements. Even if there were no import restrictions on these food products, there is the question of money exchange, which, of course, means how to pay for these products. Most foreign countries will not permit their currency to leave the country; in other words, buyers of U.S. products have to get permission to pay for their U.S. products with their own currency. Many times there is no dollars to exchange. This currency shortage is a most difficult barrier.

A few years ago Congress passed a law so that the United States could barter

our excess food products for some commodities that a country wanted to trade us. There again we ran into difficulty because not many countries had products with which to trade that was not already in plentiful supply in this country. There was, however, certain countries where we could trade cotton and wheat for strategic minerals. As a result we have huge mineral stockpiles now on hand.

Another factor that restricts the export of livestock products in excess of our own needs is that these livestock products are regarded by many countries as luxury goods, and hence will not permit these meat products to be imported. In other words, they refuse to use their scarce dollars for what they consider luxury items. France, Italy, and Britain are good examples of this. France could consume a great deal more of pork products except for this factor. There is also another factor which retards the exportation of our meat products. Our prices are higher, much higher, than the same products from Argentina, Uruguay, Australia, New Zealand, and Canada.

Perhaps the greatest of all handicaps of getting rid of our surplus wheat is the fact that we, the United States, have been a party to the International Wheat Treaty, by which we agreed to a world price for so many million bushels of wheat.

We have to live up to this treaty. Then the other wheat-exporting countries like Canada, Argentina, Australia, Turkey, and so forth, say, "The United States is dumping their excess wheat on our prospective markets." This, of course, causes these countries to point their finger at Uncle Sam, and say, "Is this what you mean by a good-neighbor policy?"

The above statements are pointed out to show how complex is this whole matter of disposal of excess farm products abroad. Our State Department has the final say so on all such transactions. We have agricultural experts in all foreign countries. Who do they work under? The Secretary of Agriculture? No, the Secretary of State.

In all these transactions of trying to get rid of our excess food products we are always confronted with foreign nation's attitude, whether it be by gift, barter, or sale. These foreign countries through necessity must try to maintain a balance between their own consumers and their own producers.

No one will deny that through our foreign-aid programs we have assisted most foreign nations to increase their production of food. We taught them our methods, gave them tractors, experts with the know-how, fertilizers, insecticides, and so forth. We encouraged them with our tax dollars to produce, and they did. Consequently, look at our own exports; they are going down, down, down.

Many countries, through regulations, do not permit many of our meat products to be imported. Canada will not permit the United States to export fresh, frozen, or cured pork for sanitary reasons.

Another factor that has to do with our own U.S. policy is this: We are the world's biggest producer of meat products. The largest importer of meats in



the world is Great Britain, and strangely enough the United States is second largest importer. We import, according to the U.S. Department of Agriculture, 524 million pounds per year. This includes beef, veal, pork, mutton, lamb, goat and horse meat on carcass weight basis.

Payments received by farmers for food products in 1948 was 19.2 billions, but payments to farmers for food products in 1957 was 19.5 billion. The retail value of this 1957 food was 50.5 billion. That is what the consumer paid. The retail price of the 1948 food sold by farmers was 39.0 billion. The marketing charges rose over the 10 years to \$11.4 billion. The figures apply only to foods produced and sold off the farms and purchased at retail by consumers. For feeding a population of 146 million in 1948, the farmers received a sum of \$19.2 billion, but in 1947 received \$19.5 billion for feeding 172 million persons.

Most of the loud voiced panacea peddlers, who always are pointing out that farmers are getting rich at the expense of the consumer, are just cheap prattlers of silly songs, trying to get votes in the large cities.

The facts are very apparent to anyone who wants to really know, but there are even people in the Department of Agriculture who seem to think it is their duty to always be talking about the necessity of lowering the price of farm products in order to protect the interests of the consumers in the large city areas.

The farmer today gets lower prices for basic farm products than he did in 1952. Take butter as an example; in 1952 the wholesale price of butter in Chicago was 72.2 cents per pound, today it is 58.7 cents. Most retail food prices increased 30 percent from 1950 to 1957. Butter prices increased less than 2 percent.

What causes the increase in food costs to consumers? Labor, transportation, additional costs of packaging, freezing and the preparation of precooked foods. One of the biggest items in the increased cost is taxes; and, of course, throughout history the tax gatherers and tax leviers have been trying to conceal the taxes levied. The best tax in the eyes of the taxmakers is one that is the most cleverly concealed. Certainly the taxes on the processing of food is a good example of concealed taxes.

The farmer's contribution to the consumers' food bill has not increased in the past 10 years. Incomes of persons who are not farmers have increased steadily during the past 10 years. The cost of goods and services the farmer must have has increased steadily. The cash income of farmers has not increased.

There is also a vociferous group seeking consumer votes who are always saying the price support program for farmers increases the cost of food to the consumer. This is not true. The figures and data included herein take into account so-called price supports.

Not long ago I received a postal card with 3 bright new pennies attached. The message on the card said: "Lower the price of bread by getting rid of price supports." This was an admission that

there is about 3 cents worth of wheat in a 24 cent loaf of bread.

Let us take a little closer look at what goes into the cost of a 24 cent loaf of bread that a few years ago cost 10 cents.

Wheat today sells on the market for about \$1.73 a bushel. By the time this bushel of wheat is made into 66 loaves of bread, it costs the consumer \$15.84—quite a spread.

The grocer who sold this bread at a profit got about 3 cents on a 24-cent loaf. He had to pay out of his 3 cents a portion for taxes, social security, unemployment, electricity, telephone, rent, investment charges, delivery charges, gasoline taxes, income taxes, and so forth. All these taxes must be paid or go out of business. In addition to these hidden taxes and fixed charges for doing business, there are the constantly increasing labor costs of his employees. Mr. Hoffa's teamsters don't work for nothing. So it would seem with all these charges—3 cents profit per loaf is not an exorbitant profit.

The mill that ground the flour paid 2½ cents for the wheat in a loaf of bread, but when he sold the flour for this loaf he got 5 cents. This flour milling company has seven Federal taxes to pay as well as seven State taxes to pay. The railroads or trucklines that hauled the flour also had about the same number of hidden taxes to pay.

Let us take a look at other factors of cost in this loaf of bread. There is sugar in it. Sugar has had a very stable price over the past 10 years. You can get about as much sugar for a dollar today as you could 10 years ago, maybe more.

So the sugar cost in a loaf of bread has not increased. Neither has the cost of shortening increased, nor the price of salt. It was recently pointed out by well-informed sources that with all these charges a loaf of bread could be sold for 12 cents.

But upon closer look we find more hidden charges. It is estimated there are 206 separate transactions in getting a quart of milk from the pasture to the bakery.

It is reliably estimated there are 151 separate taxes on this 24-cent loaf of bread.

In final analysis we are paying in hidden taxes—12 cents on each loaf of bread.

What conclusion have you reached in regard to these figures? I believe there is only one conclusion you can come to and it is this: The grocer, the baker, the miller, the railroads, the trucker—involved in this loaf of bread—does not pay these hidden taxes, you pay the taxes—you the consumer pay—because all these people or corporations just pass the tax charges on to you.

It can safely be said the people who eat this 24-cent loaf of bread pay all the taxes.

The farmer who received the 2½ cents for his wheat also paid taxes.

And while thinking of taxes please remember whenever you hear about Congress voting a billion dollars to India, Tito, Communist Poland it costs every American family \$25 for each billion

spent. Do not think because you don't pay this \$25 directly you do not pay it.

For the average citizen these hidden taxes are more costly than a direct income tax.

And here is a question for you to answer, "If every family had to send in their \$25 to pay their share of the billions aid program to Communist Poland and Tito, how much do you think Poland and Tito would get?"

As I said in the beginning, I realize this bill is a patched-up affair; but it is a start, and in my opinion will start reducing the surplus of wheat and not break the farmer in so doing. This bill is only for 2 years.

Its basic provisions are:

Reduces the 15-acre exemption to the smaller of 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and permanently repeals the 200-bushel exemption, which is now inoperative.

Removes the ceiling of 30 acres on the wheat-for-feed exemption, and allows unlimited production for on-the-farm use.

Provides price supports at 90 percent of parity, but requires producers to reduce their acreage allotments by 25 percent. This land in the 25-percent reduction is not eligible for the soil bank or for planting to any crop subject to price support under the Agricultural Act of 1949.

But farmers could plant sorghum, corn, oats, and rye, which he could sell on the open market. He could plant crops for ensilage on this 25 percent land.

If the farmer will agree not to plant any crops or use for pasture any of this 25 percent land, he would receive a bonus for this 25 percent land of a payment in kind in wheat on one-third of the actual average wheat production during preceeding 3 years. As payment he would receive a certificate that he could take to the Government stored grain bin and get wheat or sell his certificate in bushels of wheat at market price.

For the 2 years this bill is in effect it increases the present penalty for overplanting to 65 percent of parity, and bases computations on double the normal yield or the actual yield, whichever is lower.

Provides automatic history preservation.

Wheat farmers would be given an opportunity to vote on this if bill becomes law. If two-thirds fail to vote for it there would be unlimited production of wheat at 50 percent of parity.

I shall support this bill because in my opinion it is the only chance we have of getting any so-called wheat legislation.

Mr. QUIE. Mr. Chairman, I notice by the comments of the gentleman from South Dakota who preceded me that the Democratic national platform contains a statement that agricultural products be supported at 90 percent of parity, yet we saw them go against their platform in their bill yesterday when they asked to have tobacco supports cut back below 90 percent of parity; in fact, they wanted it cut back to 88 or 87 percent



this year and continually cut back through the years for another 5 years to 71 to 75 percent of parity on Flue-cured and burley tobacco.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. JENNINGS. Had all basic commodities remained at 90 percent of parity it would not have been necessary for the tobacco producer to come in and ask that their support price be figured on the old or the new parity, whichever was the lower. It was sliding scale of parity prices on other commodities that were not controlled that caused tobacco to go up and caused the tobacco growers to want to have it lowered in order to keep some semblance of supply and demand.

Mr. QUIE. The gentleman is right in one point only there, that was one of the reasons why 90 percent parity caused the price to go up. The other reason that caused it to go up was that you did a good job of controlling tobacco production. That is the second reason it happened.

Mr. JENNINGS. I agree with the gentleman and that is exactly why we were opposed to the amendment that the gentleman supported which would freeze this price for 3 years. In addition to that we were supporting 90 percent of the old provision, 90 percent support price, 90 percent of the old parity which gave them a lower price.

Mr. QUIE. But the reason for going back to old parity is really to hide the fact that the price support is frozen.

There are three reasons why we are in difficulty on the wheat program. We allowed wheat farmers to overproduce by not imposing a penalty which would prevent overproduction. This bill it is true goes a step in that direction by increasing the penalty; but to do a good job, I would say that the bill should put a penalty on planted acres and not on harvested acres.

The second reason why we are in difficulty is because we have the 15-acre exemptions. Farmers who never planted wheat before are now harvesting up to 15 acres on their farms. In 1941, when the exemption became law, 28,000 farms raised less than 15 acres. Now, because of a guaranteed price, 1,225,000 farms are raising up to 15 acres.

I shall vote for the Belcher amendment because it will get at one of the reasons why the past wheat program has failed. His amendment would put all wheat farmers under quota no matter what size of allotment they have. If we are going to support the price of wheat at a higher rate than its normal market value, it is recognized by all that controls must be imposed. This amendment will affect the farmers in my district since most of them raise less than 15 acres of wheat and hundreds of them have elected to raise wheat in late years. The only way a control program will work is if all farmers who raise wheat are involved in the program and the Belcher amendment will be necessary to bring this about. My farmers are not greedy like the gentleman from Tennessee said his were. I believe they recognize the principle involved and those

who traditionally raise wheat would like the opportunity to vote.

The third reason why the program has not worked is that Congress put a 55-million-acre minimum allotment for the whole country. On that 55 million acres we grow more wheat than we can use in this country, and export without great subsidy. We ought to be able to reduce wheat acreage below that. The 55-million-acre minimum should be reduced. The committee bill goes in that direction but acres would need to be reduced at least 30 percent to do the job at 90 percent of parity.

I went along with you when you wanted a support at less than 90 percent of parity in the tobacco bill because you found you were pricing yourselves out of the tobacco market. Now I ask you, Is there not a similar danger in this wheat bill?

Mr. COOLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did I understand the gentleman to say most of his wheat farmers were small farmers?

Mr. QUIE. Most of my farmers raise less than 15 acres of wheat.

Mr. COOLEY. If the gentleman votes for the Belcher amendment, he is going to vote them out of business.

Mr. QUIE. Why should they be allowed to come in and ruin this wheat program?

Mr. COOLEY. But if the gentleman votes for the Belcher amendment, he will do so knowing that he will put all of the 15-acre farmers out of business.

Mr. QUIE. This amendment puts them in the wheat program. If they want to raise wheat, they should come under the program and have an opportunity to vote on it. The raising of wheat is a very small part of this total enterprise and would in no way put them out of business.

Mr. COOLEY. Yes. Then, if the Belcher amendment is adopted, they can go out and grow corn, soybean or any crop they want to grow in competition with the crops of Iowa and the great commercial corn area of America.

Mr. QUIE. We are in the corn area, and that is what these farmers were growing all of these years.

Mr. COOLEY. Does the gentleman think that the farmers of Iowa want your farmers to abandon the growing of wheat and go into the corn-producing business when we have the largest corn crop in our history in the current year?

Mr. QUIE. These people are corn farmers, and that is a problem we will have to take care of in the corn bill. They are harming the wheat program—should stay within their allotments and most of them recognize that.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAGEN].

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. HAGEN. Mr. Chairman, I want to say at the outset that I support the Belcher amendment as I hope it will be amended by an amendment I will offer, because I think it does something permanent to a very bad wheat law.

I heard a joke on television the other night about the tree surgeon who fell out of his patient and broke his leg. It reminds me of the Congress. We have been climbing up that tree and falling out of the tree; the tree gets bigger and the fall becomes harder all the time. It is time we do something about curing the disease.

I want to say something about the role of the whole Congress in this agricultural situation. We had a very unique argument made here the other day that seemed to indicate if one did not grow wheat, corn or tobacco, he was not qualified to really think about the problems of these programs. I am in a rather unique position. I represent an agricultural area. But I do not own a farm. But it is time that you people in the cities become alerted and do not turn the determination of these programs over to the wheatgrowers or the cottongrowers or the tobaccogrowers. You have a stake in this whole program. I never heard anyone assert that the urban city dweller should be given a carte blanche on a housing program or that the representatives of labor should be given carte blanche on a labor bill.

So let us play it both ways and exercise judgment with respect to this farm program.

Let me say that if this kind of legislation continues much longer we might as well screw the dome off the Capitol and give it to these various commodity groups, because their demands are insatiable unless they are tempered by the good judgment of Congress and by those Representatives who do not have a vested interest in their vote.

I was at one time an advocate of 90 percent of parity. I no longer am. I feel these programs have created a situation where we are advancing to a condition of corporate farms at one end and a peasantry like we have in Europe at the other end. If these programs are not reasonably altered ultimately we are going to proceed to the condition where we have nothing but an impoverished peasantry existing on a subsistence basis.

What is wrong with the wheat program? The wheat farmers have enjoyed too high a price support. Experts will tell you that by any reasonable standard of parity the level of support has been 110 to 115 percent of parity, a wartime price for wheat. A 75 percent of parity perhaps is too high. I understand that a reasonably efficient wheat grower on good ground in a good producing wheat area can grow wheat for about 80 cents a bushel. The proposal offered by the committee would peg that price support at \$2.13 a bushel. The prospect of profits is tremendous. True, the committee bill makes a gesture in the direction of reduced acreage. But what is accomplished when you provide this high incentive price at the same time? You guarantee that the farmers are going to



take out their worst acres, they are going to farm the devil out of the acres remaining, and your total yield is going to be approximately the same.

Remember also that this is only a 2-year program. We are merely putting a patch on a very smelly situation, and it is going to start smelling again in a subsequent Congress and that Congress will have the same pistol pointed at its head as this one, with mountainous surplus and a big bill to the taxpayer. On the other hand, the Belcher amendment does something permanent to the wheat law, which, in its present form, does not go far enough, but will with amendments I will offer. It will result in a considerable reduction in wheat acreage. Furthermore, it will maintain a lower support level which will not provide the incentive for this mass intensive farming to detract from a reduction of the lowest producing acres. And, I am certain, further, that there will be many acres that will not be planted by farmers who might plant under the 90 percent program. That is the advantage of the Belcher amendment.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I would like to commend the gentleman on his statement and to assure him that a lot of our folks from the cities are going to support this reduction, and I think one of the best evidences of it is the fact that there were 149 votes yesterday against the tobacco bill, mostly as a protest against what is going on.

Mr. HAGEN. Those persons who argue that by lowering price support you do not increase production overlook the fact that farming has changed in this country. We have farmers—and they are the best farmers—who exercise a business judgment about their production, and if by reason of the contemplated market price, they cannot reap the profit they seek, they will not plant. The argument that there will be no planting reduction by reason of the lowering in support level is completely fallacious. True, some farmers do not follow that course of procedure, but there are a number of them who do, and under the Belcher amendment you will find a substantial lessening of production.

The pending wheat bill, H.R. 7246, is a grossly inadequate response to our most pressing farm problem, to wit, reduction of our present oversupply of wheat, which, by date of July 1, 1960, will reach a quantity of 1½ billion bushels—an amount adequate to supply annual U.S. food needs for 3 years—an amount of Government-held grain that will cost over \$1 million a day to store and to meet the cost of interest attributable to the amount of money invested in it.

The wheat bill provisions amount to an effort to place a 2-year bandage on a festering sore to keep it from smelling and a subsequent Congress will meet confronted with the same necessities of changing a basically bad permanent wheat law with costs increased by a tem-

porary expedient and little or no reduction in Government surpluses.

Our actions should be governed by public policy criteria and not by a partisan concern for the wheat grower. The present problem stems from the misdirected effort of past Congresses to kill the wheat grower with kindness through exorbitant gratuities. The blame for the present situation lies directly with past Congresses and if H.R. 7246 passes in its present form we will share that blame.

There is no logic in the inconsistencies of the various commodity support laws, and the wheat law has been the loosest, as a critical examination of it will reveal.

#### A. SUPPORT LEVEL

The support level has been too high. By reason of the mechanization of production and increases in yields—without equivalent increase in cost—the cost of production per bushel has greatly fallen in a fashion not reflected in parity formulas, which have held support prices at a level calculated by experts to represent 110 to 115 percent of a realistic parity. The American Farm Bureau Federation estimates that wheat can be grown in reasonably efficient production areas for a cost of about 80 cents a bushel, whereas recent support prices deemed to represent 90 percent of parity or less have topped the \$2 per bushel figure. This high price has worked against the interest of efficient growing States by inviting in more marginal competition.

#### B. PRODUCTION CONTROLS

Production controls, on the other hand, have been almost constantly loosened at the expense of the American taxpayer. Remember this fact, because a high price support program can only work in a framework of tight production controls.

To illustrate my charge of loose controls, let us take the example of wheat-grower John Doe.

The Congress generously afforded to him and his colleagues a minimum national farm acreage allotment to cut up which would invariably produce a wheat surplus even with the existence of a juicy export subsidy program. The high national minimums established—currently 55 million acres—tightened the belt of the taxpayer but did little to tighten the belt of the wheatgrower.

To compound its misdirected generosity in the form of support levels and minimum national allotments the Congress then made it easy for the individual farmer to slip out of the noose of controls. For example, efficient farmer John Doe was given the opportunity and the incentive to violate his quotas.

With the certain knowledge that a sufficient number of his less efficient neighbors would, in effect, sell their wheat to the Government to maintain the support price as the market price, the law made it easy for him to illegally violate his quotas.

First the penalty for overplanted wheat was too low. With an 80-cent-a-bushel cost of production and a price in excess of \$2 he could profitably afford to pay an approximate 80-cents-a-bushel penalty. Moreover he did not pay the penalty on all of his illegal bushels be-

cause the Congress said that it would be paid only on an estimated normal yield and he could consistently grow more than that normal yield, which might have been arrived at in connivance with local farmer committees.

Moreover, until recently, he could acquire crop history for his illegal acres and the following year could plant them legally in competition with other wheat growers—a most valuable privilege like that exercised by a bootlegger in investing his ill-gotten gains in a legal business.

However, the Congress did not reckon this pie was rich enough. It thought that John Doe should have a second look at the consequences of his illegal act of overplanting. It provided that his compliance with quotas would be measured—not on the basis of planted acres but rather—on the basis of harvested acres. With this “last clear chance” John Doe could bring himself into compliance, after violating the intent of the law, if the wind and the weather had not cooperated with him as he desired and produced an overall bumper crop. He could simply plow under those illegal acres which an act of nature had made unprofitable. This privilege was of double benefit because he was thus able to select his best acres as compliance acres after the fact of violation—one of the few cases in life in which hindsight was permitted to operate in a business transaction.

Even this cumulative generosity was insufficient for at least a segment of our lawmakers. They decided to give John Doe a backdoor form of crop insurance without the usual justifications that Government insurance must meet.

If John farmed in an area of uncertain weather from year to year he was permitted to store his illegal grain, without paying a penalty, and if his allotted crop failed the next year, he could declare that illegal grain as that year's production and sell it without penalty.

Now, we, as citizens, may sympathize with the victim of bad weather but we must keep in mind the fact that these bad weather possibilities are reflected in lower land costs, lower tax assessments, and a variety of other ascertainable benefits. Furthermore we must remember that these objects of our sympathy have re-created the Dust Bowl problems of the thirties in a large section of our country, and have made money by such actions, at least in the short run.

#### C. EXPORT SUBSIDY

Past law has not only given the wheat growers the advantage of high support levels and loose controls but also has given them a dump export subsidy program unmatched by that of any other crop. For some reason difficult to understand this aspect of the program has relieved political pressures on other aspects of the program.

This export subsidy—which infuriates our friends abroad such as Canada—currently amounts to about 70 cents a bushel. It dates back to the thirties in a single form. But the demand for foreign sales to relieve the pressures on our elevators became so



great that it now has multiple forms. The original subsidy has been supplemented by the International Wheat Agreement and inclusion of wheat in the benefits of Public Law 480.

#### D. THE PAINFUL CONCLUSION

The Farm Bureau estimates that the various guises of the wheat program have cost the taxpayers over \$5 billion through 1958 and excluded from that figure are large areas of administrative costs and amounts of Government paid for wheat values disposed of through UNRAA, famine relief, and lend lease.

On the basis of these facts I will seek to amend H.R. 7246 to accomplish some needed permanent changes in the basic wheat law and I hope that you will support me in my effort.

I will seek to reduce the 55 million national acreage allotment minimum to a figure of 40 million.

I will seek to require evaluation of compliance with acreage allotments on the basis of planted acres rather than harvested acres. This change of standard will not only reduce surplus production but reduce some of the temptation for the wheat grower to become a law violator. Furthermore it will have an impact on the operation of the "back-door crop insurance program" which I have mentioned.

I will seek to make these same amendments to the substitute to the committee bill to be offered by Congressman PAGE BELCHER. Parenthetically I should state that I will support the Belcher substitute as an improvement over the committee proposal.

I would also like to read into the record an analysis of the relative cost of H.R. 7246 and other aspects of the committee bill, prepared by someone in the American Farm Bureau Federation. Whether this analysis has the complete approval of the president and directors of the American Farm Bureau Federation I do not know. I do know, however, that the organization officially opposes H.R. 7246 on a variety of grounds. The said analysis reads as follows, quote:

COMMENTS ON REPORT NO. 384 DATED MAY 25, 1959, OF THE HOUSE AGRICULTURE COMMITTEE CONCERNING H.R. 7246, PROPOSING A WHEAT PROGRAM FOR 1960-61

The explanation starts out by saying that "This bill \* \* \* would reduce the production of wheat during the 2 years by approximately 480 million bushels; it would lower the cost of the wheat program during this period by an estimated \$528 million." The report does not explain how such optimistic estimates can be substantiated. As a matter of fact, the following is a much more realistic appraisal of what probably will happen.

First, production might be reduced somewhat, but the carryover of wheat stocks by the Government would probably increase. The reasons for this are set out below. With respect to the estimated savings, this is strictly without foundation, and probably the new bill would cost more money rather than less. This also is set out below.

#### REDUCTION OF PRODUCTION

This bill might reduce production somewhat but not necessarily carryover stocks in each of the next 2 years. It would, however, stimulate efforts to increase yields through irrigation, new varieties, use of fertilizer, etc. This plus the improvement in productive capacity that is to be expected in the land diverted from wheat production would

set the stage for very material expansion of wheat production in the future; \$2.13 is such an incentive price to encourage production that it is illogical to assume that production will be curtailed to any appreciable extent, particularly when it is realized that in many areas wheat can be produced for 80 cents a bushel or less. The reduction in production which might result from the bill would not be proportionate to the proposed acreage cut.

1. Producers would retire less productive acres.

2. Some immediate increase—and perhaps a sizable increase in average yields inevitably would result from the proposed 25 percent cut in allotments—even in the short run, the effect would be greater a few years from now.

3. The combination of increased price supports and reduced allotments would stimulate a fuller use of the allotted acreage and quota exemptions, thereby offsetting, at least in part, the effect of provisions lowering marketing quota exemptions and tightening the rules on compliance.

4. Since in excess of 5 million acres have been allotted to producers growing 15 acres or less, a sizable acreage would not be subject to any reduction in allotment.

5. Experience in the past with acreage reduction proves that the reduction is in the neighborhood of less than 25 percent of the proportionate acreage cut.

#### DOMESTIC USE OF WHEAT WOULD BE REDUCED

1. Seed requirements probably would be reduced from 66 million bushels in 1958 to about 48 million bushels. This allows for some increase in the seeding of wheat under the proposed expansion of the feed wheat exemption.

2. The use of wheat produced on allotted acres, or within the marketing quota exemption for feed, probably would be reduced at least 30 million bushels.

3. Although the demand for wheat for human food is inelastic, it is probable that a higher support price would reduce the domestic consumption for human food by as much as 15 to 20 million bushels whereas, an increase of 5 to 10 million bushels might take place if there were no change in the support price. Thus, the proposed increase in the support price could reduce the domestic consumption of wheat by as much as 60 million bushels—perhaps more.

#### EXPORTS

While it may appear that subsidy programs would prevent the proposed program from reducing wheat exports, the probabilities are that some reduction in exports would result for the following reasons:

1. The increase in export subsidies required to maintain our export position would stimulate increased foreign opposition to U.S. export policy and this would tend to cause U.S. officials to ease up on their efforts to maintain maximum wheat exports.

2. The return of the United States to 90 percent of parity price supports for wheat would set an example which would encourage other countries to raise their own support prices and thereby increase world wheat production.

#### PROBABLE PRODUCTION

The probable production under the present law would amount to about 1,265 million bushels.

Since the export subsidy would cost an additional \$157 million, the obligation in 1960 would amount to at least \$1 million more per year without otherwise taking into account the additional impact of further intensifying production on the agricultural plant. Also, this does not take into account the proposed subsidy of making payments in kind for withholding the acreage from other production. This would add considerable additional cost depending upon the extent of participation.

The bill does not really call for strict compliance. The provision that the acreage

taken out of wheat cannot be put into price supported crops appears to be tight, but actually does not have the effect that might appear at first glance. A farmer could refrain from taking price support on wheat because the wheat market was supported by many other compliers and thereby qualify for price support on the diverted acres, even though they might be used for other price supported crops.

A comparison of the present program and the proposed House bill is as follows:

	Present program	House bill
Support price (per bushel).....	\$1.78	\$2.13
Estimated export subsidy (per bushel) <sup>1</sup> .....	\$0.55	\$0.90
National allotment (millions of acres).....	55	42.5
Harvested acreage (millions of acres).....	57½	44.5
Yield (bushels per acre).....	22	27½
Production (millions of bushels).....	1,265	1,224
Production eligible for price support (3X5) (millions of bushels).....	1,210	1,167
Government price support obligation (1X7) (millions).....	\$2,154	\$2,486
Excess obligation (millions).....		\$332
Additional export subsidy cost (millions).....		\$157
Total direct additional Government obligation (9X10) (millions) exclusive of additional costs of making payments in kind.....		\$489
Domestic consumption (food in millions of bushels).....	493	480
Feed (millions of bushels).....	60	25
Seed (millions of bushels).....	66	48
Exports (millions of bushels).....	450	400
Total disappearance (millions of bushels).....	1,069	953
The indicated change in carryover (millions of bushels).....	+199	+271

<sup>1</sup> Based on prices under International Wheat Agreement—actual cost much greater in both cases.

<sup>2</sup> It is inaccurate to assume a 25-percent reduction from the minimum national allotment of 55,000,000 acres since many farms are exempt from any reduction. In 1958 USDA estimates 5½ million acres were allotted to exempt farms with 15 acres or less. Accordingly, the 25-percent reduction would apply to only slightly less than 50,000,000 acres after taking the 5½ million acres into account and also the lowering of the exemption from 15 to 12 acres.

<sup>3</sup> Increased price support of 35 cents per bushel would result in an estimated 25-percent increase in yields due to the profitability of applying more fertilizer, irrigating more acres, a higher percentage of the remaining acres harvested being in humid areas, use of better land, etc.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Michigan.

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent to insert my remarks in the Record following the remarks of the gentleman from Ohio and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LATTA. Mr. Chairman, at the outset of my remarks I want to pay tribute to the gentleman from Oklahoma [Mr. ALBERT], who has worked hard and long during this session in an attempt to resolve the wheat problem facing the Nation. Another gentleman from Oklahoma [Mr. BELCHER], the ranking minority member of the Wheat Subcommittee, has likewise worked diligently and conscientiously with this problem. Mr. ALBERT, as chairman of the Wheat Subcommittee, of which I am privileged to be a member, has patiently heard out



every witness who desired to be heard on this subject with the faint hope that a solution to this gigantic problem might be forthcoming. He listened to the various farm organizations in the presentation of their plans which they sincerely believed would be workable and acceptable. The many hours of labor of this subcommittee, headed by Mr. ALBERT, has helped materially to focus attention on this problem and as a result has already made a significant contribution to the country.

Everyone in the Congress recognizes the fact that we are fast approaching a crisis in wheat—a crisis resulting from an old Government program that has not worked. Everyone is in agreement that something must be done about it—and fast. There is, to say the least, considerable disagreement as to how to attempt to solve the problem. There are those who maintain that we can cure the patient by giving him an overdose of the same kind of medicine that has kept him from getting well. There are those who say that we should eliminate the medicine and let the patient recover. With this costly program hanging over the heads of the taxpayer, there are those who say we should reduce or eliminate the production of the farmer who has not been costing the Government one thin dime in price supports. I have reference to the small, 15-acre farmer. There are those, and I am one of them, who believe that if we sincerely want to reduce the terrific cost of this program, that we should reduce the production of the larger farmer who has been receiving the real benefit of the taxpayers' dollars under this program. There are those among us, and I am one of them, who believe if we are to continue a wheat program that it should recognize that we grow several different classes or types of wheat, that they are used for different purposes, and that all of them are not in great surplus.

Everyone is aware of the tremendous cost of the present program and everyone is aware of the fact that the present program has not worked, that it has encouraged over-production to such an extent that the storage charges alone are now costing the taxpayers of the Nation \$1 million per day. Everyone in the Congress, including the distinguished gentleman from Oklahoma [Mr. ALBERT], knows that the bill before the committee today is not the answer to this problem but is only an emergency, 2-year, stopgap piece of legislation and is only postponing the day of reckoning with the problem. Every member of the Agriculture Committee is aware that our distinguished chairman, Mr. COOLEY, holds no pride of authorship in this bill even though it bears his name. In fact, H.R. 7246 has been truly labeled as the bill that no one wants. Notwithstanding this fact, however, we find it before this committee today for consideration. Why is that no one wants H.R. 7246? I believe it is because this bill seeks to continue the high price support—strict control principle which has proven to be such a costly and colossal failure. It provides for imposing the strictest control over the American farmer that he

has ever been asked to accept. At a time when the American farmer is generally asking for more freedom from Government, I believe it is grossly unfair to saddle him with stricter controls and high price supports. Recently I conducted a poll in my district, the Fifth District of Ohio, on this very subject. The farmers of my district responding to the question, "Do you agree that the farmer generally wants fewer controls and more freedom from Government interference even though it may mean a temporary period of price adjustment?", voted 90.4 percent in the affirmative. Recently the Farm Journal magazine polled its readers in 48 States and learned that 8 out of 10 of its readers wanted lower price supports and fewer controls instead of high price support and strict controls.

The Department of Agriculture has estimated that H.R. 7246 will cost the taxpayers of this Nation an additional \$110 million. In view of this increased cost, I believe it is incumbent upon every Member of Congress to ask himself whether we can conscientiously go to the taxpayers once more and ask them to absorb this increase in view of the costs and failure of the present program. In considering any revision of the present wheat program at this time, I believe it is not only important but imperative that we take a look at some of the factors which the present agricultural act provides should be taken into consideration in determining whether a price support operation is to be undertaken for a particular crop and the level of price support for such crop. Section 401 (B) of the Agricultural Act of 1949 provides eight factors which should be taken into consideration in fixing price supports. The first factor provides that the supply of a commodity shall be considered in relation to the demand therefor. With a 2½ years' supply of wheat in Government warehouses, we certainly would not be following the theory of the law we are seeking to amend, by increasing the support payments as provided for in H.R. 7246. The sixth factor listed in this subsection deals with the ability of the Government to dispose of stocks acquired through a price support operation. The huge wheat surplus is sufficient evidence that we have been unable to dispose of this commodity's surplus. The eighth factor which the law provides to be taken into consideration is the ability and willingness of the producers of the commodity to keep supplies in line with demand. No one can dispute the fact that the producers of the concerned commodity have not kept the supply in line with the demand. It is, therefore, evident that H.R. 7246 is a radical departure from the terms and conditions set forth in the Agriculture Act itself for fixing price supports.

H.R. 7246, as written, is certainly unfair to the farmers who have been producing a variety or class of wheat which has not been added significantly to the surplus. I have particular reference to the producers of wheat east of the Mississippi-Missouri Rivers who have been raising Soft Red Winter wheat used in the making of cakes, pastries, and crack-

ers. The Department of Agriculture estimates that the July 1, 1959, carryover of Hard Red Winter wheat, which is generally raised west of the Mississippi-Missouri Rivers and used for the making of bread, will be 946 million bushels as compared to an estimated carryover of Soft Red Winter wheat of 16 million bushels. In other words, the anticipated carryover of Soft Red Winter wheat is less than a 1 month's supply and any further reduction in the supply of this type wheat could easily result in a very serious shortage of the type wheat used in the making of cakes, pastries and crackers—James Skidmore, chairman, Grain Committee of the National Soft Wheat Millers' Association—notwithstanding this fact, H.R. 7246 proposes to further restrict the production of the small farmer who is the major producer of this class of wheat by reducing the present 15-acre exemption to the smaller of 12 acres or the highest planted acreage in 1957, 1958, and 1959. Consequently, if this bill became law, we would be reducing the supply of a class of wheat in which there is no great surplus. Should this result—and this is a hidden danger in this bill—the millers using the Soft Red Winter wheat would be forced from a lack of supply to change their milling processes in order to use hard varieties with a resulting loss of markets to the producers of soft Red Winter wheat which could become permanent. I know that statements will be made here that the export of Soft Red Winter wheat has been subsidized, which is in my opinion no argument at all, as other varieties of wheat have likewise been subsidized for export.

As I stated in my minority views on this bill, H.R. 7246 seeks to continue in effect the undemocratic principle of denying the right to vote at a wheat referendum to 1,225,101 of the 1,815,602 wheat farm operators in the United States. In other words, 67.5 percent of the wheat producers of the United States are still denied the right to vote under the provisions of this bill in a wheat referendum. In my own State of Ohio, for example, there are 157,516 wheat farms, of which 127,916 are denied the right to vote under the present law and under provisions of H.R. 7246. Believe it or not, this means that 81.2 percent of all the wheat producers in the State of Ohio are denied the right to vote in a wheat referendum. This bill should be amended to allow all wheat growers or at the least, all farmers with an allotment to exercise the right to vote as they are all restricted and affected by it.

One cannot but conclude that this bill is designed with the large producers in mind. To illustrate this fact and in no way to endorse the principle of payment in kind, H.R. 7246 provides a one-third payment in kind to the producer above the 15-acre minimum but denies this small producer a similar payment in kind for his 3-acre reduction under this bill. I cannot voice my objections too strongly to this payment in kind, administrative monstrosity. Its adoption certainly would heap further ridicule upon the farm program by requiring the Federal Government to return



stored wheat to the same producers who helped create the surplus.

H.R. 7246 does have one commendable feature. It permits a farmer unlimited production for on-the-farm use by removing the present ridiculous 30-acre ceiling.

In conclusion, Mr. Chairman, I cannot urge too strongly that H.R. 7246 be defeated for the reasons I have outlined in these remarks or amended as I have indicated.

Mr. LEVERING. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. LEVERING. As the gentleman knows, I am privileged to represent a congressional district, the 17th, of the State of Ohio. The gentleman is correct that the Soft Red Winter wheat grown in Ohio is not in surplus. It is a very high quality wheat, and I should like to associate myself with the gentleman in saying that there ought to be some separate consideration given to that type of wheat. I should like to ask the gentleman if it is not a fact that the Department of Agriculture very firmly opposes any such classification and separate consideration.

Mr. LATTA. They have so indicated.

Mr. LEVERING. I thank the gentleman.

Mr. BENTLEY. Mr. Chairman, the question of wheat legislation is of extreme importance to the farmers of my State of Michigan, where more than 118,000 farmers produce wheat. I have heard from the Michigan Farm Bureau Federation, the largest farm organization in Michigan, and am including at this point in my remarks a copy of a telegram from that organization dated June 9, and setting forth its views on H.R. 7264 as well as the Belcher substitute version:

LANSING, MICH., June 9, 1959.

HON. ALVIN M. BENTLEY,  
House Office Building,  
Washington, D.C.:

Present form of wheat bill, H.R. 7264, would not solve the problem. We understand Congressman BELCHER will offer amendment to permit all farmers who grew wheat in 1958 to vote in a referendum covering 1960 and following crops. The choice would be between: (1) An acreage control program with supports at 75 to 90 percent, with increased penalty to apply to all wheatgrowers, except if all is used on farm where grown; or (2) no acreage allotments and supports at 50 percent. We believe Belcher amendment should be changed to make support under (No. 2) 55 percent and to put compliance on planted rather than harvested acreage.

MICHIGAN FARM BUREAU,  
DAN E. REED.

On January 26, 1959, I introduced a bill, H.R. 3275, which, assuming that more stringent controls would be desirable for the wheat program, would have offered several improvements in this direction. For example, it would have changed the allotment system for wheat from acres to bushels, a step which I have long believed to be wholly desirable in the event strict controls are felt to be necessary. It would also have provided for an annual reduction of 5 million acres a year of the national acreage allotment until the total of 35 million had been reached. My bill would have excluded from this reduction all wheat which was

consumed on the farm and would have eliminated the present exemption of 15 acres or 200 bushels for marketing quota provisions. I feel that my legislation meets the question of controls on a realistic basis and, as a matter of interest, am including in my remarks at this point a copy of a letter dated April 24, 1959, from the Department of Agriculture in comment thereon:

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., April 24, 1959.

HON. HAROLD D. COOLEY,  
Chairman, Committee on Agriculture,  
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request for a report on H.R. 3275, a bill "To amend the provisions of the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and related legislation with respect to price support and marketing quotas on wheat."

While this bill is a step in the direction of a better balance between supply and demand of wheat if Congress decides on a more stringent control program, we do not favor enactment in its present form. In some respects it is an improvement over present legislation but does not go far enough.

This bill would amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, to provide that the marketing quota on any farm would be the number of bushels equal to the normal production of the allotted acres (plus the bushels on hand from previous years which could have been marketed without penalty). The maximum number of bushels eligible for price support in any year would be the normal production of the allotted acres. The bill provides for reducing the minimum national acreage allotment, beginning in 1961, by 5 million acres a year, until the minimum reaches 35 million acres. It further provides for changing the definition of "market" to exclude the feeding of wheat, and places a penalty of 45 percent of parity on the quantity marketed in excess of the quota. The bill would also repeal Public Law 74, 77th Congress, as amended, and section 335(d) of the act of 1938, thereby eliminating the 15-acre and 200-bushel exemptions from the marketing quota provisions.

The provision for limiting the quantity of wheat eligible for price support would place an effective ceiling on CCC obligations each year. The gradual reduction in the minimum national acreage allotment would provide an orderly means of reducing the acreage seeded to wheat to a level whereby production could be more nearly brought into balance with utilization. However, we believe the standards for establishing the national marketing quota for wheat, which we recommended to the wheat subcommittee, would be preferable to any arbitrary reduction of 5 million acres per year. Permitting the unlimited production of wheat for feed on the farm where grown would offer to a feeder the free choice of growing the feed grain most desirable for his individual operations. The elimination of the 15-acre and 200-bushel exemptions would remove the unfair advantage the small wheat producers have had during the past few years to market their excess production under the umbrella effect created by the higher price resulting from the price supports available to complying wheat producers.

If the Congress decides on a more stringent control program, we recommend the following changes in the bill: (1) Repeal the 55-million acre minimum national allotment provision and provide (a) that whenever the carryover is more than 500 million bushels the national allotment would be based on the estimated domestic consumption for the marketing year for the crop for which such allotment is proclaimed, plus the estimated

export for dollars for the marketing year in which such allotment is proclaimed, and (b) that whenever the carryover is less than 500 million bushels the national allotment would be based on normal supply; (2) raise the rate of penalty to the level of the support price and change the penalty provision to provide that the farm marketing excess on which penalty would be paid would be initially determined on double the normal yield per acre of the excess acres rather than the normal yield per acre. If, however, the producer establishes the actual yield on the farm, the penalty would be paid on the number of bushels by which the actual production on the farm exceeded the actual production of the farm acreage allotment. Wheat mixtures containing less than 25 percent wheat would not be counted as wheat; (3) limit the privilege of disposing of overplanted acreage to 3 acres or 10 percent, whichever is the smaller; and (4) amend the Agricultural Act of 1949 by adding at the end thereof the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this act, beginning with the 1960 crop, the level of price support to cooperators for each crop of wheat, if producers have not disapproved marketing quotas, shall be 90 percent of the average price received by farmers during the 3 marketing years immediately preceding the marketing year for such crop. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d) (3) and (5). The Secretary shall determine and announce the support price for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,  
Acting Secretary.

Prior to that time, however, I had the opportunity to testify before the Wheat Subcommittee of the House Committee on Agriculture on March 12 and am including in my remarks at this time a copy of my testimony before that subcommittee:

TESTIMONY OF CONGRESSMAN ALVIN M. BENTLEY BEFORE WHEAT SUBCOMMITTEE, MARCH 12, 1959.

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you this morning in connection with my bill, H.R. 3275, a bill to amend existing agricultural legislation with respect to price supports and marketing quotas on wheat. I should like to mention that I have also introduced two other bills, H.R. 3273 and H.R. 3274 which also have to do with wheat. The first would exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm. The other would broaden the exemption from wheat marketing quota penalties where all the wheat crop is similarly disposed of. I sometimes call these the two Stanley Yankus bills. I further understand that reports have been requested from the Department of Agriculture on all three bills but that none have yet been received.

Before discussing my bill, H.R. 3275, Mr. Chairman, I would like briefly to summarize our wheat production situation as I see it today. As of November 30, 1958, our Government had the following investment under the price support program: Under loan 467, 515,973 bushels with a total value of \$853,171,354 and in inventory—786,101,564 bushels with a total value of \$2,205,872,246. As for storage costs involved in wheat in the price support program inventory (which includes the cost of storage in the ships of



the Maritime Reserve Fleet), the total storage costs incurred during fiscal 1958 were \$152,314,604. As of October 31, 1958, we had in fleet storage 48,954,411 bushels of inventory and our fleet storage costs incurred during October alone were \$544,372. As of October 31 we had in commercial storage 748,433,806 bushels and our commercial storage costs during October alone were \$13,408,192.

Production-wise, our latest estimate for the 1958 crop of wheat is 1,462,218,000 bushels for all wheat as compared with a 1957 crop yield of 950,662,000 bushels. I suppose there are two basic explanations: Our seeded acreage increased nearly 7 million acres and our yield per seeded acre went up from 19.1 bushels to 25.9 bushels. Incidentally, my State of Michigan rose from seventh to first in the Nation in per acre yield with a 1958 yield per acre of 38 bushels.

In the accounts of the Commodity Credit Corporation the wheat and wheat flour programs showed the following losses: The price support program, including the cost of donations, showed a loss for fiscal 1958 of \$126,722,853 and for the 5-month period through October of 1958 a loss of \$38,322,076.73. The commodity export program, which represents export differential on non-International Wheat Agreement shipments paid by the CCC in cash or in kind, showed a loss for fiscal 1958 of \$84,999,924.74 and for the 5-month period through October of 1958 a loss of \$15,880,899.10.

According to the February issue of the Wheat Situation, published by the Department of Agriculture, stocks of wheat in all positions on January 1, 1958, totaled 1,816 million bushels, the largest of record for that date, almost a third larger than a year earlier and 59 percent above average. Stocks of CCC wheat included in total January 1 stocks amounted to 774 million bushels. Quantities outstanding under the price support program on January 31 totaled about 554 million bushels.

The same publication goes on to state "assuming a domestic disappearance of about 625 million bushels, slightly above the estimate for the current year to allow for further increase in total food use, and allowing 400 million bushels for export, an increase in the carryover of almost 200 million bushels would be indicated for July 1, 1960." With this forecast for the 1959 wheat harvest at roughly 1.2 billion bushels and the addition of 200 million bushels to the record 1.3 billion bushels of wheat carryover expected this coming July 1, it seems proper to ask, Mr. Chairman, where is it all going to end?

When President Eisenhower sent his agricultural message to Congress on January 29, he included the text of a memorandum from the Secretary of Agriculture dated January 19. This memorandum offered two alternatives for consideration regarding our wheat problem, the one being relaxation of controls and the other being the so-called control route.

I will now try to explain briefly the provisions of H.R. 3275 which is intended to give the Government greater control over the marketing of wheat and still give the farmer more freedom of production for use as feed on his own farm (H.R. 3273 and 3274 should logically also be considered in this particular connection. (My bill, H.R. 3275, by which at least some of the Secretary's recommendations would be put into practice, would reduce the national acreage allotment of 55 million acres by 5 million acres per year beginning in 1961 until a national allotment of 35 million acres is reached in 1964.) Allotments for individual farmers would be converted from their present acreage allotments to a bushel allotment equal to the present acre allotment multiplied by the farm's normal yield. Furthermore, the penalty for marketing in excess of the quota

would be set at 45 percent of the parity price.

I feel very strong, Mr. Chairman, that we have reached an impossible situation in our farm program and especially with respect to wheat. To quote what a friend of mine said the other day: "I have never seen a Government program which cost so much and still made so many persons mad."

I have always felt that we have two basic alternatives in our farm program: either to remove all controls and supports, give our farmers complete freedom to produce and throw them entirely on the mercy of the market; or to keep supports at a reasonably high level and take drastic steps to curtail production. With our farm surpluses now at an all-time high, the first step would not be possible. The second alternative, therefore, at the moment seems to offer the only approach provided that controls on production are enforced. That is why my bill contains a provision for progressively reducing the national wheat acreage and other provision to put individual farm allotments on a bushelage basis. The remarkable skill of the American farmer in increasing his wheat production per acre has made the present system of acreage allotments relatively useless. I therefore believe that drastic changes in the program are required.

I again remind the committee members, Mr. Chairman, of the increase in seeded wheat acres in 1958 over 1957 and of the substantial yield per seeded acre. It seems to me that these two factors are largely responsible for the tremendous crop yield and especially for the substantial carryover. I believe that H.R. 3275 would go far toward meeting these two problems and I therefore request sympathetic consideration of it by your subcommittee.

I fully recognize, Mr. Chairman, the gravity of the present wheat situation as concerns our entire country. In Michigan, our 118,000 wheat farmers last year had an average yield per acre of 38 bushels which brought us from seventh to first in the Nation in per acreage yield. Since, in Michigan, 85 percent of our wheat farmers plant 15 acres or less, it shows what can be done with a large number of small producers and I assume the same is true in other Midwestern States.

I think, Mr. Chairman, that overall our farm program has reached almost an impossible point. Frankly, I have never seen a program that costs so much and still makes people so mad. With respect to the wheat problem, I believe we have basically two alternatives: either to give our farmers complete freedom and throw them entirely on the mercy of the market or to keep our supports at a high level and adopt drastic controls. With the expected carryover of 1.3 billion bushels of wheat by July 1, 1959, a removal of all controls would really send wheat prices down to a very low level indeed. To be realistic the only choice is to continue the program but adopt steps which would control production much more drastically than is now the case. Also, I think that serious consideration should be given to fixing different support levels for different classes of wheat, thus recognizing the obvious fact that certain classes move into commercial channels more readily than others and that of the expected carryover as of July 1, nearly 75 percent is expected to be in Hard Red Winter wheat.

However, we are faced at the present time with a choice of H.R. 7264 or the Belcher substitute, neither of which I regard as wholly desirable from the standpoint of wheat legislation. I cannot support the committee bill because of its reversion to high support levels even though I do approve of the individual acreage cuts. I also disagree with the committee's provision that forbids the vote in the wheat referendum for those who have an exemption of 15 acres or less. Of the two bills presently before us, I must say that I prefer the Belcher substitute because it does extend the vote to all wheat producers. I recognize the fact that the repeal of the 15-acre exemption will work for a hardship on many small Michigan farmers who are dependent on wheat for their rotation programs and for a cash crop. However, the fact that the passage of this bill would give all wheat producers the right to vote in a wheat referendum on the question of approval or disapproval of marketing quotas does seem to me to have considerable attraction. In summary, I do not like either the Belcher substitute or the committee bill but, if forced to make a choice, I would prefer the Belcher substitute in spite of the hardship that I know many small wheat farmers will be faced with by the loss of the 15-acre exemption.

(Mr. PELLY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PELLY. Mr. Chairman, I am no friend of price supports and consistently vote against legislation to continue costly and ineffective programs such as are provided in this wheat bill. Frankly I feel Secretary of Agriculture Benson has the right idea in trying to get Congress to adopt a policy of gradual Government withdrawal from agricultural acreage allotments, subsidies, and high farm price supports.

The farm bloc, however, has stuck together and resisted attempts to eliminate wartime emergency policies designed to increase production. Congress has tied Mr. Benson's hands and the consumers and taxpayers of this country are footing the bill. No special group has ever had such a boondoggle as the peanut, tobacco, cotton, wheat, corn, and rice agricultural commodity support program and this has been in the face of polls which show the majority of farmers are opposed to these Government control programs. The wheat program alone has cost the taxpayers \$5 billion.

Recently, certain Members of the House who have city districts openly appealed to rural Members of the House to support public housing, slum clearance, and subsidy programs for big cities. Reciprocal support on measures for the farmer such as this wheat bill was promised. Some back scratching arrangements are not in the public interest and, for one, I will not have any part in them.

The fundamental question before us today, it seems to me, is this: Are Members of Congress going to continue burdening the Federal Government, the taxpayer, and the consumer with a vast



program of farm subsidies that continue to grow? Do we support a wheat policy which channels 80 percent of the benefits into the bank accounts of some 1,700,000 prosperous farm proprietors or one-fourth the total of all farmers?

The cost of purchasing and storing commodities is staggering. I have read that a mechanized farm operator produces wheat for as little as 60 cents a bushel. The way things are going the Government will be absorbing millions of bushels of this wheat at \$2.13 a bushel as against \$1.81 now. Already the Commodity Credit Corporation has one and a half billion bushels of wheat valued at \$3.5 billion in storage. Our rental bill for this storage runs about \$400 million a year—more than \$1 million a day.

Mr. Chairman, I read the other day that farm co-ops and the farmers themselves are in the storage business. The profits on this storage are unconscionably huge.

One organization in Minneapolis was cited recently as receiving nearly \$3.5 million a year for grain storage from the Government. One-fourth of this association's profits came from the Government. It spent \$2 million on a propaganda program seeking higher price supports and in election of candidates favorable to its views. As a cooperative, as against a private corporation, this organization had a tremendous tax advantage.

Mr. Chairman, I believe that our agriculture cannot benefit under policies that have created huge surpluses. We must come to grips with the problem and instead of temporizing and dealing with wheat quotas and price supports as in H.R. 7246, we must come up with a permanent answer. We must free the farmer from Government planned security and high-level wartime price guarantees. I trust we can get back to the law of supply and demand with farmers running their own business operations.

The economy of our farmers is important to the Nation, but the Government is paying out about \$1,000 per farmer, and the consumer and farmer alike will be ruined if we go on as we have been doing.

I will vote against H.R. 7246, the wheat price support bill now under consideration.

Mr. POAGE. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, I would like at this time to point out that in the committee bill, H.R. 7246, there is proposed a partially new adventure as far as farm programs are concerned. The aspect of payment in kind is an aspect which is at least partially new. It was in the old soil bank act. In that act there was a provision whereby under certain arrangements payment in kind could be made. But under the provisions of this bill, payment in kind is a very definite aspect and part of the program. I believe it is one of the items that is most favorable as far as this bill is concerned. The reason why I say it is because here and now for the first time, the Congress of the United States

is laying it upon the line saying, "Now we are going to make the surplus help pay its own way out."

By passing this feature of the bill we can quit talking about the bugaboo of the surpluses and saying that they always and forever depress prices. Instead of having a surplus of dollars, which we do not have in the Treasury of the United States, we can use the surplus of the bushels of wheat that we have and say, "Here, Mr. Farmer, we are going to pay you these bushels for not planting grain." This is a part of the real and true aspect of this bill. It can be totally defended. This means the farmer gets one-third the normal yield on his farm on those acres which he has laid out of production. This is geared to the farming unit on which the farmer operates. The farmer knows what his last 3 years average yield has been. He knows what he can depend upon.

He is taking a 25-percent reduction or cut in his acreage and this one-third payment in kind is fundamentally a pittance to be given him. This cross-compliance payment in kind measure is by far better than laws we have passed in previous years saying that we are going to reduce the acreage of a commodity only to let that same farmer plant those same reduction acres to every other commodity under the sun. This is a cutback and it is saying, "You cannot produce any supported item—you cannot produce any commodity that is under price supports by the Federal Government." Here is the real way to get a reduction in these surpluses of wheat and make the surplus pay its own way out. Let us lay it on the line. Let us keep cross-compliance payment in kind in this bill.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, since 1952 there has been a build-up of stocks of wheat which is estimated to reach 1.5 billion bushels by July 1. During the same period, the Secretary of Agriculture has been steadily reducing the price supports for farmers. In other words, as price supports declined, surpluses increased.

Various Republican spokesmen have maintained that high price supports were an incentive to produce more. History and records prove quite the contrary. The lower the price, the greater the incentive to produce more bushels to make up for loss of income. So today we are faced with this problem of surplus, with storage charges on Commodity Credit wheat in the amount of approximately \$1 million a day.

Regardless of whose fault it is, the situation demands the attention of Congress.

Mr. Chairman, this bill is in the national interest. To cut production 25 percent in North Dakota, which is composed principally of family and moderate sized farmers, is a drastic cut. It will cause a great deal of hardship. But I think most farmers believe production must be cut in the national interest. Ninety percent of parity on the 75 percent of production remaining, and the

payment in kind, is provided to compensate the farmer to some degree for the drastic cut in production.

Extravagant statements have been made about large farmers. The average wheat allotment in North Dakota is 99 acres. Average per capita farm income in the Nation is \$1,027, about half the national average income per person.

What we have here is emergency stop-gap legislation. It is designed to decrease production and reduce surplus. It will cut wheat acres from 55 million to 41 million.

Many of my colleagues may have different ideas about a farm program. This is not the farm program I have proposed. But the simple fact is, that today we have this choice and this choice only. Do we continue the present legislation into 1960 and 1961 or do we adopt this legislation and cut production down from 55 million to 41 million acres in 1960 and 1961? Do we continue to add to our surplus stock, or do we begin to cut it down? If we continue the present program, more surplus will accumulate and more storage charges will result. This bill will stop the accumulation of surplus and at the same time reduce present government stocks at the rate of 90 million bushels a year.

To restore supports to 90 percent of parity is a minimum necessity if we are to preserve historic American agriculture. You can imagine the dire results in the cities if workers received a cut of 25 percent in wages, or if businessmen received a cut of 25 percent in business. Such a cut in wheat production, without a corresponding increase in price, will, in my opinion, bankrupt thousands of farmers across the length and breadth of this land. When agriculture, the basic industry of this Nation, is prostrate, it will trigger a national depression that will make the 1930's look insignificant.

To some of my colleagues from the cities who have said that farm legislation is not important to them, let me say that you do have a vital interest. The original wealth created from the soil provides purchasing power. This purchasing power in turn stimulates business and provides jobs. Just as I support measures directly affecting the urban areas as being in the national interest, I ask my city friends to support this legislation in the national interest.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. ANDERSON].

(Mr. ANDERSON of Montana asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Montana. Mr. Chairman, I am glad that I do not have the responsibility of defending the wheat legislation that is presently the law of the land or the present situation with respect to wheat. I am supporting the committee bill, and I would remind those on the other side of the aisle who are opposing the committee bill that, if they oppose this bill it is their obligation to defend our present situation with respect to wheat. It is your obligation, my Republican colleagues, in the first place because the program has been under the



administration and management of your Secretary of Agriculture during the time that we have gotten into our present deplorable situation. In the second place it is your responsibility to defend the existing law, because when today is over we will have made a choice between the committee bill and the existing law. As we are operating under present legislation today, surpluses are continually building up. Under the committee bill we will be taking a step in the right direction, that of reducing the surpluses and the staggering storage costs accumulating under our present wheat program.

Mr. Chairman, there are 4,810,000 farm families and 5,178,000 farm households in the United States. They have \$186.7 billion invested in their farms and equipment, an average of \$32,000 investment per household. Farm income in 1958, Mr. Chairman, according to the Bureau of Census, was \$2,490 per family, and the nonfarm family income in the same period was \$5,232 per family. In other words, on an average then, a farmer puts up \$32,000 in capital in order to buy his job; he gets no return on his investment; and then for his own work and that of his family he gets less than half as much income as the average nonfarm family. The fact of the matter is, Mr. Chairman, that the farmer is not receiving his fair share of the national income. When we get a new administration we can write some legislation to redress the great injustices that exist. In the meantime, I trust that my colleagues will accept the committee's very effective start on one of the biggest problems of all, the mounting surplus of wheat.

I represent one of the largest wheat districts in the United States and I want to say that this bill does not mean more money in 1960 and 1961 for the wheat farmers. If the Congress turns down this bill my farmers may well make more money next year than they will if you accept the committee bill.

We from wheat areas support the committee bill because we realize we are going to have to quit producing for surplus and produce wheat in amounts that can be consumed. This bill makes the necessary adjustment without undue hardship on the wheat farmers.

We are going to vote for the committee bill because it will in effect start eliminating our production for surplus and start reducing stocks of surplus already on hand. The Library of Congress estimates that this committee bill will reduce Government costs by \$528 million in the 2-year life of the bill. The taxpayer will receive other indirect benefits such as that due to the appreciation in value of Government stocks of wheat.

The arguments I will have to take back to my people in Montana when I go back to report to them on the committee bill is that it may mean less money for them next year than they would have if we turned down the committee bill, but at least we are doing our best to meet the demand of the taxpayers for lessened cost of support programs, and we are willing to take our

part of the monetary sacrifices in the interest of the taxpayers and in the interest of a long-term satisfactory program for agriculture. In the long run, both the farmers and the taxpayers will come out ahead.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Montana. I yield.

Mr. HOEVEN. I was interested in the gentleman's comments with respect to responsibility for the surplus situation as it exists today. Let me remind the gentleman that through 13 of my 17 years in this House the Democrats have been in complete control of Congress. Why, then, have not the many Democrat Congresses worked out a satisfactory program? Furthermore, the gentleman made no reference to two wars that intervened which were largely responsible for the accumulation of the surplus in the first place.

Mr. ANDERSON of Montana. I would reply to my friend from Iowa that the situation has grown to its present difficulty since we had our present Secretary of Agriculture, and that the surpluses have been built up almost entirely during the maladministration of the program by the present Secretary of Agriculture and since the two wars to which the gentleman refers. All of the farm programs together from 1932 to 1952, a period of 20 years cost less than Mr. Benson spends every single year. The wheat program showed an actual profit to the Government for the years before Mr. Benson took over.

As to the gentleman's query as to why the Democratic Congress has not corrected the situation during the past 6 years I would say there are two reasons. In the first place the Secretary is determined, by maladministration and misadministration, to make sure the program does not work, and I will say to the gentleman that it is almost impossible to write legislation that cannot be nullified when the President and the Cabinet Officer in charge of the program are determined to make it fail. In the second place, notwithstanding the protestations of the minority leader to the contrary, it is pretty hard to write good legislation with the constant threat of a Benson veto to be rubber-stamped by the President. Most of us are convinced that any good constructive farm legislation passed by the Congress between now and November 1960 will be vetoed by Benson-Eisenhower.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Montana. I yield to the gentleman from Kansas.

Mr. AVERY. I do not believe there is any use to further debate the merit or lack of merit of the Secretary of Agriculture. I would like to ask the gentleman for his opinion, because I respect him as an authority on wheat production, particularly in the Western States. Assuming the committee bill is to be accepted by this body and by the other body, how much of an actual reduction in wheat production does the gentleman from Montana anticipate might occur?

Mr. ANDERSON of Montana. The best estimate, it seems to me, is the one

made by the Library of Congress, which is something like 480 million bushels of reduction in the biennium.

Since the gentleman from Kansas raises the question, let me speak about the discrepancy which exists between the estimates on the part of the Secretary of Agriculture and the Library of Congress. The Department of Agriculture and the gentleman from the other side of the aisle have generally based their argument on the claim that by putting on more fertilizer and by writing off the acres that are less productive, we will continue to up our production per acre. The point has already been made that we have gone just about as far as we can in that direction and further large increases in yields, except those arising from unusually favorable weather conditions, are unlikely. In addition the penalty provisions are made much more strict so that we will not have the wanton overseeding which has contributed so much to our surpluses in the past.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

(Mr. BREEDING asked and was given permission to revise and extend his remarks.)

Mr. BREEDING. Mr. Chairman, I want to earnestly request my colleagues to vote for this wheat bill, H.R. 7246.

H.R. 7246 can rightfully be termed emergency legislation to meet emergency conditions. There can be no doubt that wheat is in serious difficulty. From the standpoint of the wheat producer, there is the growing danger, should the present situation continue without change, that the people will demand an end to the entire price support program. It takes very little knowledge of agriculture to understand what such a step would mean. Prices would drop to a point that would bring bankruptcy to farmers throughout the wheat producing areas.

H.R. 7246 offers a two-year program. It is not a panacea, but it does offer the means whereby we can fight our way out of the present difficulties.

Stated simply, H.R. 7246 will do two important things: First, it will reduce production of wheat to a point where some of the surplus will have to be taken out of CCC stocks to meet the demands at home and abroad; and, second, it will maintain the income of wheat farmers at a level high enough to keep him in business.

The first point is vitally important, Mr. Chairman. Wheat farmers are among the first to acknowledge that present surpluses are entirely too large. They realize that production will have to be reduced or new uses found to bring supplies more in line with demand.

I am convinced that a vast majority of commercial wheat farmers will accept the rather painful formula contained in H.R. 7246 for achieving a substantial reduction in production. The bill provides for a reduction in each farm allotment—based on a national allotment of 55 million acres—of 25 percent. That, Mr. Chairman, would remove 13,750,000 million acres of good wheat land from production. The best estimates available to the Committee on



Agriculture place the reduction in production at 240 million bushels annually.

This bill also, Mr. Chairman, recognizes that a real economic problem is involved in such a drastic reduction in acreage—particularly in view of the fact that wheat allotments have declined from 84 million acres in 1949–50 to 55 million acres today. Wheat farmers, along with all other farmers, are going through a painful cost-price squeeze. I seriously doubt—and I speak from my experience as a wheat farmer—that what farmers could stand such a severe acreage reduction without some compensation in the form of higher price supports.

In this bill we have provided that as acreage is cut back 25 percent, the support level will be adjusted upwards to 90 percent. I have heard the complaints from some Members of this House to the effect that we are going back to a discredited system of high, rigid price supports. But I urge you to look upon this legislation—and the problems of the wheat farmer—with an open mind.

If the wheat farmer is willing to assume further reductions in acreage in an effort to get at what he realizes is a difficult national problem, should not other segments of the national economy be willing to ease the burden for him a little? Does any Member of this House really believe that you could cut back wheat acreage another 25 percent, while maintaining support levels at 75 percent of parity, without bankrupting the wheat farmer? Of course, you do not believe such a thing. Therefore, I urge you not to close your mind to a 90-percent support level. This is emergency legislation. We are acting here to meet a serious, specific problem—we are not legislating for agriculture as a whole.

Let me point this out, too. The bill specifically states that this 25-percent reduction would not be eligible for the soil bank or for planting to any crop subject to price supports. That, my friends, is cross-compliance. The fact that the bill does provide that growers who do not grow any crops and do not graze the land would be eligible for payments in kind—equivalent to one-third of the annual production for the last 3 years—does not hide the fact that the bill calls for tougher controls than those presently imposed on any crop.

I also earnestly request Members of this House to consider the fact that wheat producers have always faced a much tougher situation than producers of other crops under control. Anyone has been able to raise wheat for the commercial market. The 15-acre exemption has enabled farmers who specialize in some other controlled crop to earn a cash income from wheat.

It is a fact, Mr. Chairman, that a large portion of the present wheat surplus was produced in noncommercial wheat areas. About 100,000 new farmers have planted wheat each year under the 15-acre exemption. This is not wheat produced for use on the farm, but wheat produced for the commercial market and marketed without regard to laws which govern wheat farmers.

I would remind you that a wheat farmer in my area could not plant cotton or peanuts. For example, his penalties would be so high as to make production uneconomical. I remember once that a farmer in my district planted some of his diverted wheat lands to peanuts. After long involved negotiations he was told he would have to post, in cash, a penalty of \$8 per ton on the peanuts before he could harvest them. The market price was \$10. The farmer plowed under the peanuts.

I cite these facts, Mr. Chairman, merely to point out that all of the present wheat problems are not the fault of greedy wheat farmers. Sources outside the historic wheat-producing areas have contributed materially to the present wheat surplus.

I am not going into a section-by-section analysis of H.R. 7246. The committee chairman, Mr. Cooley, Mr. Albert and other members of the committee have thoroughly acquainted you with details of the bill.

But I do want to stress that this legislation would reduce the cost of the wheat program to the taxpayers by \$528 million during the 2 years it is in effect. I hope that members who represent urban areas will remember this fact.

There is widespread concern among taxpayers over the cost of agricultural programs. Unfortunately, these people are given a diet of information consisting more of fiction than fact. They are told that direct subsidies to the farmers amount to several billion each year. This is simply not true. Every expenditure of the Department of Agriculture, including those of research and education, are classified as subsidies. It is regrettable that so much misinformation is spread about the farm programs. The problem is difficult enough without being complicated by misstatements and misinformation which serve only to turn the consumer against the farmer.

I realize, Mr. Chairman, that anyone appearing in the well of this House to plead for farm legislation is facing a difficult job. But I urge you, I plead with you, to consider this wheat bill with an open mind. Read the committee report. Study it.

If you do, I believe you will agree that H.R. 7246 is sound interim legislation adequate to meet a specific emergency need. I would like to remind you that this legislation will enable us to make a significant start on reducing present surpluses of wheat. It does this by cutting acreage back more sharply than ever before in the history of this program. It would bring about substantial savings in the cost of the program and it would protect wheat farmers from undue hardship during this transition period.

This is not perfect legislation. It is not the final answer to the wheat problem, but it is workable legislation. It will meet a pressing need, and, Mr. Chairman, I am convinced that it will be accepted by wheat farmers as the price they must pay in getting their own house in order.

I sincerely trust that Members of the House will support this legislation.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I want to say that it seems to me the time has come when we should start talking about things other than political considerations. That seems to be about half of what we have heard on this floor this afternoon. The time has come when, as the chairman of the Wheat Subcommittee said, the House should exercise its responsibility in this field.

Let us look at the agricultural economic involved. It is very simple. Either you set a price that will give a reasonable profit per bushel and keep your supply in line with that price or you do not have a balanced market and let overproduction bring low prices and high fluctuations in price. Go one way or the other.

The gentleman from Oklahoma [Mr. BELCHER] tinkers not only with one end, he tinkers with both ends of the spectrum. He fails to keep production lower than consumption. And that is not enough: "He would keep the price low enough so you cannot make a reasonable profit per bushel."

You cannot operate under that theory and be within the necessary criteria to have sound agricultural economics. That is no way to do it.

As to the 15-acre limitation, there has been a lot of tears shed here about that, as if someone is stealing something. I want to mention to you that the feed grain farmer is the man who has been forgotten in the debates we have been hearing and under present legislation and administration of that legislation. What happened when acres were taken out of tobacco? They were free to put it into feed grains. What happened when they took acres out of cotton? They were free to put it into feed grains. What happens when they take acres out of wheat, 28 million acres in the last 10 years? They are free to put those acres in feed grains. That is exactly what has happened. Look at the buildup of sorghum grain, barley, and so forth. Do not feel so sorry here about giving the feed grain farmer a 15-acre exemption. I implore you from the feed grain area, stand behind the feed grain farmer until we can get some reasonable and decent feed grain legislation and administration. I am introducing a feed grains bill within the next day or two. I hope each Member of this House will keep in mind the dire need for new feed grain legislation and help secure enactment of the bill I am introducing or a better one.

(Mr. WEAVER asked and was given permission to extend his remarks at this point in the Record.)

Mr. WEAVER. Mr. Chairman, like many others from the midwestern wheat country I was quite disappointed that the wheat stabilization bill which I sponsored, along with many others from our area of the Nation, did not get further than the Agricultural Committee. However, I think at this stage that the important thing is no longer to get the most ideal bill but rather to keep the



wheat program alive and well. This can be accomplished by the bill, H.R. 7246. I do not support this bill with the same enthusiasm with which I approached the wheat stabilization program sponsored by midwestern and western wheat farmers and my colleagues in the House, but I do support the present measure.

There are two very basic problems concerning wheat production in this country. One of these is to achieve and maintain an adequate income for the wheat farmers. The second basic problem is to cut production. There is a third major problem—and that involves the disposal of present surplus stocks. This problem would have been handled by the wheat stabilization program which I sponsored and will not, really, be fully solved by this bill. However, this bill does have the advantage that it will in all likelihood not allow new and greater surpluses to be built up.

This wheat bill has a very distinct advantage over many other proposals which have come to the Congress in recent years. It will cut production sharply, while at the same time guaranteeing an adequate price for that wheat which is produced. The bill provides for a 30-percent cut in production on most of our wheat land. This in itself is a good idea because we do have an overabundance of this commodity in bins. However, I think the 30-percent cut is a bit too steep and will, in effect, cut the income of the average wheat farmer despite the high guaranteed price support for that which he does produce.

I have long favored the 90 percent of parity support price for wheat. That portion of this bill I consider to be good and to be of real benefit to all wheat growers in the Nation.

I would like to make two more points. One is that this bill does not kill off the little fellow, the man who does not plant vast expanses of wheat. There are certain proposals which will be offered that would in effect eliminate the small producer. This would be disastrous to our national economy.

The second point I would like to make—and here I address myself primarily to my colleagues from the cities, the gentlemen who represent primarily the consumers rather than the producers of this commodity. During the past few years the price of wheat has dropped steadily. The overall decline in wheat prices has been drastic and dangerous. However, while wheat was falling by a dollar a bushel, the price of bread in your corner grocery store has gone up 14 cents a loaf. What has caused this is debatable and controversial. However, I think all consumers should remember this point. The cost of bread is not necessarily based on the price paid for its principal ingredient, wheat. In fact, just the reverse is true. The cost seems to be pegged by some altogether different factor.

For these reasons, then, I have decided to support the wheat bill, H.R. 7246, which is presently before the House. As I said, I cannot find it in my heart to support it as fully as I have the alternate wheat stabilization program; but I do

support it and I do recommend it to the sympathetic consideration of my colleagues in the House. I think H.R. 7246 should pass.

(Mr. LANGEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANGEN. Mr. Chairman, we have before us in debate a bill which deals with the wheat problem and the wheat farmers, but one which, I should hasten to add, has a great significance as well to the taxpayer and the consumer. Because of this magnitude of significance, it is with some reluctance that I offer these observations, for I know that the members of the Agriculture Committee and the Wheat Subcommittee have devoted many hours of very diligent and sincere effort to the drafting of this bill. For their contribution to this difficult and complex problem they are surely to be complimented.

But I should be remiss in my duties were I not to offer some observations on this measure, for the Red River Valley in my district is one of the great spring wheat producing areas of this Nation, and in addition, this bill concerns a problem with which I as a person have probably been closer associated and have had more experience over the years than any other.

Surely it is not necessary for me to emphasize the need for legislation in this field, for the very fact that the farm income has been constantly dropping and the fact that we today have a wheat surplus amounting to over 1¼ billion bushels, surely emphasizes sufficiently the need. It is with some hesitancy that I support the bill in its present form, for in my humble opinion it does fall short in several instances of offering an adequate solution to the wheat problem. The complexity of the wheat problem, of course, is such that it is most difficult for anyone to come up with a solution that would be adequate in all instances. I should hope, however, that I should find not too much argument were I to say, as I have said on a good many occasions, that the ideal solution would be one which would offer to the wheat farmer for his efforts in the production of wheat, a fair and just return and to do so with the least amount of Government expense and the very least amount of Government regulation.

May I discuss the bill in the light of these objectives. First, the bill provides for a compulsory reduction in the wheat acreage allotment for each farm by 25 percent below that established in accordance with a 55-million-acre national allotment. In return, the wheat farmer will receive an increase in the available price support to 90 percent, or a 25 percent reduction in acres for a 15-percent increase in price. In addition, he will be eligible to receive a small payment in kind under certain regulations. These provisions, however, still amount to a reduced income from the production of wheat for the individual farmer.

I think it is well to point out at this time that the wheat farmer has already made a reduction of 30 percent from his normal production in order to be in com-

pliance with the 55-million acre national allotment and so, in reality, has now made a reduction of over 50 percent from his normal seeded acreage. This, of course, is bound to mean a substantially reduced income from the production of wheat, and when we add this to the reduced income which he is bound to receive from the production of other crops on which price supports have recently been reduced, it, of course, can mean nothing else but a substantial reduction in the total income to the small grain farmer. This he is forced to accept, together with more controls and a substantial increase in the penalty for excess seeding. I am wondering how many more reductions in income the small farmer can stand, together with more controls, and still be able to meet the continuous increase in the cost of production, without being driven out of business entirely.

I think it is well to note at this point that while the wheat problem seems to be a very severe one at the moment, maybe over the years it isn't quite as severe as it may look at first glance. When we look at the record of statistics that have published by the Department of Agriculture, we find that during 3 of the last 5 years the wheat producer produced less wheat than we have disposed of through domestic use and exports. Therefore, weather conditions and other factors beyond the farmers' control play a substantial part in the amount of wheat that is produced each year—factors which are again going to play a part and which will serve to prove that all crops are not going to be as large as the one we experienced in the last year of 1958, which was the largest in our Nation's history. I am wondering if under these circumstances we are justified in compelling the wheat farmer to accept further reductions in his income and stricter controls.

May I call your attention to one other feature of this bill which, in my estimation, is inadequate. It has been said that the bill provides for the farmer a choice of whether he wants to continue to operate under a system of strict controls with a higher price support or whether he would rather want to operate without controls and a low price support. The bill provides for a referendum in which the farmer decides whether we are to have marketing quotas and a reduced acreage together with 90 percent price supports. If this referendum is turned down, he would then be offered no controls and a support price of 50 percent of parity. May I take just a moment to point out the significance of this choice.

If the referendum is turned down and he then is forced to operate under a 50-percent support price and no controls, it would mean that, if he were to receive exactly the same amount of dollars that he would receive under the marketing quota, he would have to increase his production in bushels by at least 75 percent. In addition, he would have added operating expense, and so the final result would still be a reduced net income, even with a 75-percent increase in his production. Now, may I ask what kind of a choice that offers the wheat farmer or



what kind of a solution that offers to the wheat problem? For, actually, the farmer is faced with the problem, in the event that the marketing quota is turned down, of having to increase his production of wheat by over 75 percent in order to even maintain his present income. So we can readily see where this would tend to not only further reduce the income but further irritate the surplus problem. I wonder how many of the other segments of our population, whether they be white-collar workers, businessmen, or a segment of our labor force, would be willing to accept a choice like that in these days—a reduced income no matter which choice he makes, while, in comparison, the income to those in other fields of endeavor is constantly increasing.

One of the factors that I find lacking in this bill, which to me is most significant and important in arriving at the adequate and proper solution to the farm problem in general, is that of diverting to the farmer himself a part of the responsibility for the solution of this problem, as well as the opportunity that he so desperately needs to adjust his income to the point of where it will at least compare with the constant increase in the cost of his operations.

Early in the session I did introduce a bill which provided for the incorporation of these factors into wheat legislation. I have since offered comparable legislation applicable to all of the other small-grain crops. These bills have for their purpose the placing of the responsibility to voluntarily reduce the production directly on the farmer himself, and for his contribution provide the opportunity to improve his income. I should express my pleasure at the recognition that these features were given by the Wheat Subcommittee and, more particularly, the recognition that was given to these principles by the other body, in that they have passed a bill which does incorporate these principles but, because of other provisions being left out, still falls far short of the mark. Because of the extent to which these principles have already been recognized, I am not going to offer an amendment to the bill; but it is my hope that, before all the deliberations are over in this House and in this conference, these provisions might be adopted.

It is not my purpose to plead the cause of the American farmer in the sense that he becomes even more dependent upon Government for his existence, but it is rather my purpose to plead that he might be given the opportunity to shoulder his responsibility with a just return for his efforts. I have a great deal of confidence in the ability of the American farmer to do so if he is given the opportunity—an opportunity that he has been promised a good many times over the past several years.

In conclusion may I say that my support of this bill is generated only because of the real need that something ought to be done to relieve the situation that presently confronts the wheat farmer and this Nation. It is my hope that Congress may continue to seek to find a more favorable and adequate solution that will bring to the American

wheat farmer additional opportunity to improve his income to the point of where he will receive a just share of the national income and to do so without being further hampered by restrictive Government controls and penalties.

(Mr. HENDERSON asked and was given permission to extend his remarks at this point in the Record.)

Mr. HENDERSON. Mr. Chairman, the legislation before the House today presents the farmers of southeastern Ohio and their representative with a choice. As I interpret their philosophy on the subject of governmental intervention in farming, they would approve less and less of it, to the point of complete removal of controls, even though that might mean less monetary benefit to them.

The provisions of existing law, which permit them to raise up to 15 acres of wheat without restriction, as well as without subsidy, pleases them for the reason that, within the limitation of 15 acres they are free to operate as they wish. The committee bill would reduce that exemption to 12 acres. At the present time, they have no voice in the farm subsidy program. Only those larger producers of greater than 15 acres are permitted to vote and because they are the ones who, on a dollars-and-cents basis, are more benefited by the program, historically, the larger farmers who do vote, vote to continue it. The Belcher substitute would eliminate the 15-acre exemption completely but, in giving those smaller producers the right to vote on the program, the smaller producers will gain the numerical majority, which will, in the absence of an improbable congressional action to curtail farm subsidies, eliminate controls entirely.

In one other particular, the committee bill is wholly unacceptable; namely, the provision for payment of subsidies at 90 percent of parity, while reducing acreage allotments by 25 percent. Such a plan will further regiment the farmers of America, while implanting ever deeper into our system of government a perpetual plan of price supports. What is needed is a plan which will reduce the supports and will eventually lead us out of the maze of regimentation and control.

The Belcher substitute is a step in that direction. It provides for a gradual reduction, as well as the right of more universal assertion on the part of those who are affected. Both the committee bill and the substitute include a provision which I have long favored and advocated. That is the provision which will permit unlimited production of wheat where it is used by the producer for feed or seed. Such a provision follows the philosophy of legislation which I introduced in the 84th, 85th, and 86th Congresses. In the 85th Congress a partial step was taken in this direction by providing a limit of 30 acres. The legislation now before us goes all the way and removes the ceiling completely.

Mr. Chairman, the people of the United States have the right to expect this Congress to provide them with a workable farm program and one which will lead to the eventual elimination of the costly,

ineffective system of controls which has marred our otherwise progressive economy.

Mr. HOEVEN. Mr. Chairman, I yield the remainder of my time to the gentleman from South Dakota [Mr. BERRY].

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. BERRY. Mr. Chairman, I think we should start at the beginning. First, we must admit there is actually no such thing as a domestic farm problem. The problem is rather a foreign policy problem, which, to solve, we have resorted to forcing our domestic producer into competition with the foreign producer.

Let us take just one product for an example. Let us take wool. You know, or should know, that today we are producing less than one-third of the wool that is actually processed and consumed in this country—and yet, because wool is a commodity that is susceptible to international trade, we are forced to provide a wool support or wool subsidy program in order to provide the domestic wool grower with a cost-of-living price so that he can buy groceries for his family.

Listen, my friends, if there were a protective tariff on wool so that the American farmer could know he would be able to furnish just the domestic market the farm surplus problem would be solved. The acres that are now producing surplus wheat, corn, cotton, and tobacco would be converted to the production of wool and there would be no need for any kind of soil bank program to take acres out of production.

Let us take another example. During the past 10 years we have imported 3,651,000 head of live cattle, the production of which would in itself have taken one-fifth of the basic wheat acres. We have imported over 13 million live hogs. In addition, during the past 10 years we have imported over 2,022 million pounds of beef and veal, almost a billion pounds of pork, and 46 million pounds of lamb and mutton. Since the reciprocal trade extension went into effect last July, beef, lamb, and pork imports have been increased from two to five times the previous rate; if you think we have a farm problem now, wait until these accelerated imports take effect.

If the American farmer had used American acres to produce this meat and meat products, there would be no farm surpluses of anything today and no need for any farm support prices.

Another thing, if the American farmer were permitted to produce just a part of the 39 million short tons of sugar imported annually, it would take up many thousand more of the acres we are worrying about taking out of production.

Let us take another example. When the Department of Agriculture announced reductions in price supports on barley, oats, rye, soybeans, flax, and grain sorghums, which would reduce the cash income of the American farmer in 1959 by 17 percent of \$436 million as compared with 1958, figured on an average crop in 1959, our colleague from



Minnesota [Mr. LANGEN], introduced a feed grain support bill in Congress.

His research on imports and surpluses of barley and oats disclosed that according to the Department's own figures, the American farmer has produced no surpluses in these two crops in the past 10 years. True, we do have a surplus of 200 million bushels of barley and 275 million bushels of oats, which costs the American taxpayer approximately \$26 million a year in storage and which, because of its existence, is depressing the domestic price of these two commodities. On the other side of the ledger, however, we find that in the past 10 years this Nation has imported, mostly from Canada, 224 million bushels of barley and over 344 million bushels of oats. And yet—my friends—the American farmer is being blamed for the surplus and the cost of storage.

Now—just for a short minute—take the monkey off the back of the American farmer and place it where it belongs.

So long as it is the foreign policy of this Nation to trade the products of domestic labor and industry for foreign-produced farm products, then let's be honest enough among ourselves to admit that this is a foreign policy problem and not a domestic farm problem. Let me say this—if through reciprocal trade and reduced tariff policies we continue to dump foreign farm production into this country, then there is no hope for the American farmer except a tax subsidy. If, however—instead of increasing imports we decide to protect American agriculture with tariffs and quotas, then the farm problem is solved in one year and the farmer will be once again returned to his status of a free market and a free opportunity to live as an independent operator in a free enterprise system.

#### WHEAT

There is no wheat problem. If the program of the National Wheat Producer could be enacted so that the wheat producers of the Nation could raise the wheat that is used in domestic consumption and protect their price for that portion through the sale to those who consume the wheat products, instead of being forced to go to the taxpayers generally—there would be no wheat problem. The wheat growers would gladly handle their own program with very little expense to the taxpayer, but this is not possible because the corn and other feed grain producers of the Nation are fearful of wheat going into competition with their products—so the wheat farmer of the Nation must take what is handed to him.

So far as wheat legislation is concerned, there are as many solutions as there are students of the problem. There are, however, two principal schools of thought. One school of thought is that the program should embrace high supports with strict production controls—the other that there should be no limitation upon production and only a protective floor under the support price.

The committee bill gives the wheat farmers of the Nation the choice between those two philosophies to be determined in a referendum vote. There are features of the committee bill with

which I do not agree. For instance, if there is to be a 25 percent reduction in acreage, it should be a 25 percent reduction. The provision permitting the operator to receive wheat "in kind" from the CCC supplies in storage will have a price depression effect if permitted to be dumped on the market.

On the other hand, the substitute bill is even worse, in my judgment. The committee bill limits the referendum vote to the wheat farmers of America. The substitute bill permits all farmers, raising not more than 15 acres to vote on a program which does not, and should not, affect them.

In an effort to reduce production, the legitimate wheat farmers have already taken a 30 percent cut in their acreage. The 15-acre free loaders who have become the barnacles clinging to the bottom of the wheat program vessel are today producing 680 million bushels outside the farm program, in other words, just about the amount of the annual wheat surplus production. Why should these 15-acre free loaders write the program for the wheat farmers of the Nation?

The difficulty is that the historic wheat area of the Nation, much of which cannot successfully produce any other cash grain crop, is having its program written for it primarily by farmers who never produced wheat until controls on other crop production forced them into wheat production. If, however, the State Department is going to write this farm program for the American farmer, then possibly the 15-acre freeloaders may as well write the wheat program for the wheat farmers.

The only solution to all of these entangling messes is to give the American farmer the production of American consumption. If that is not possible, then I suppose we have no alternative other than to resort to production subsidies with the taxpayer being called upon to pay the price of our foreign trade policy.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, in concluding this debate, which I think has been very interesting, I want to call attention to one communication from the U.S. Department of Agriculture of recent date. The headline is this, and I address the city Members of Congress: "Farmers' prices do not govern bread prices." This is an official statement coming from the Department of Agriculture. Now, here is a chart in a publication issued by our committee on June 1, 1959, on page 3, showing how bread prices in recent years have continually gone up at the very same time that wheat prices to the farmer have continually gone down. So, I do not think any Member representing an urban area has any reason to fear that this bill here now before us would in any way affect his constituents.

Mr. Chairman, I want to conclude by saying again what I said to begin with, that this is the one great problem of American agriculture. The President is disturbed about the wheat situation; the Secretary of Agriculture is disturbed about it; all of us are disturbed about it. The taxpayers have a right to be dis-

turbed about it, because we have over \$3 billion invested in wheat.

Wheat, as a commodity in my own congressional district, is not of great importance. But, when I see men, for instance, like the gentleman from Kansas [Mr. BREEDING], the gentleman from Montana [Mr. ANDERSON], the gentleman from Iowa [Mr. COAD], and these other people from the great wheat-growing areas of America willing to accept the terms of this bill, as drastic as it is, certainly I feel inclined to go along with it and support the program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I hope my good chairman will not include Iowa as one of the great wheat-producing States.

Mr. COOLEY. I will say that Iowa is a great State in many respects. It is best known for its corn crop. I will say to my friend from Iowa if the Belcher amendment is adopted, you will put every little 15-acre man out of business and they will be perfectly free to grow corn in competition with the corn produced in Iowa.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Of course, the Chairman knows there will not be anybody in the 15-acre allotment put out of business if he has been raising wheat. This only put out of the wheat program that fellow that joined later.

Mr. COOLEY. The committee has reduced the 15-acre allotment to the lower of 12 acres or to the highest planted by the farmer in any one of the most recent 3 years. Those who have a smaller allotment should be affected like those that have a larger allotment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. I think the gentleman's statement was correct a moment ago that the increase in cost of living to the people in the cities is not to be blamed on those who toil in the soil. We ought to know, and certainly I know, that as prices go up to the consumer, the farmer has been getting less.

Mr. COOLEY. The record clearly shows that.

Mr. McCORMACK. We know that it is caused by the middlemen. And certainly that should be thoroughly looked into. Anyone from the cities who votes against any bill because he thinks it is going to increase the cost of living to the consumers in the city is making a very serious mistake.

Mr. COOLEY. Even the Secretary of Agriculture has publicly said that the American consumer today is getting better food and more food at cheaper prices, in relation to individual incomes, than ever before in all history. That is an answer to that argument.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

All time has expired.

The Clerk will read the bill for amendment.



Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

The was no objection.

The bill is as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 30 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344 (c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 30 per centum reduction in the farm acreage allotment required under section 344(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and

as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 30 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to co-operators and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support shall be made available to co-operators and noncooperators at 50 per centum of parity: *Provided, however,* That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be

appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 30 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new



notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

(d) Section 336 is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held on a farm that was not exempted from farm marketing quotas on such crop of wheat under applicable provisions of law. Any acreage considered as being devoted to wheat in establishing future allotments under applicable provisions of law shall be considered as wheat-producing acreage for the purpose of determining eligibility to vote. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat."

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 10, strike out "30" and insert "25."

Page 2, line 14, strike out "344" and insert "334."

Page 3, line 10, after the word "if", insert "marketing quotas for the particular crop are in effect and."

Page 3, line 13, strike out "30" and insert "25."

Page 3, line 14, strike out "344" and insert "334."

Page 4, line 20, strike out "30" and insert "25."

Page 4, line 21, strike out "344(c)" and insert "334(c) (2)."

Page 9, line 10, strike out "30" and insert "25."

The committee amendments were agreed to.

Mr. McGOVERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN: On page 5, line 2, strike out the period, insert in lieu thereof a colon, and add the following: "Provided further, (1) That beginning

with the crop of wheat to be planted in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000; (2) that the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection; (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation; and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Mr. McGOVERN. Mr. Chairman, this amendment is very similar to an amendment that I offered on the floor of the House 2 years ago, when we were debating the corn bill in the Spring of 1957. It simply seeks to gear the operation of our Federal farm program primarily to what has been called here many times "the family-size farm." It is an amendment similar to the one that was adopted on tobacco yesterday when that bill was before the House, a measure which came from the other side of the aisle which I was happy to support, just as I supported the amendment offered by the gentleman from Kansas [Mr. AVERY] a few days ago.

Mr. Chairman, I want to make this point in reference to the amendment. It would be a mistake for anyone to assume that because we are offering a limiting amendment that this necessarily implies that most of our present wheat program is now in the hands of huge producers. There has not been any more unjustified myth spread around this country than the notion that most of our farm production is controlled by a few huge operators. The truth of the matter is that this amendment limiting price support loans on wheat to \$35,000 for any one producer will only affect 287 wheat farmers in the entire United States. Last year, according to the figures of the Department of Agriculture, there were 476,000 wheat loans that were granted by the Commodity Credit Corporation. In other words, the amendment I am offering today affects only 6/100th of 1 percent of all the loans that were granted to wheat producers in 1958. The total of the dollars that were loaned to the wheat producers in the category of \$35,000 and over represents only a little more than 1 percent of the wheat that was pledged under our price support program. So I do not offer this amendment because of any conviction on my part that the program has been taken over by the large producers, but because the entire farm program has been given a black eye due to the publicity and the

propaganda associated with a handful of large producers. This amendment will take care of that problem.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSON of Montana. As I heard the gentleman's amendment read, the language was "wheat planted in 1960." I wonder if the gentleman really intended to make that discrimination so that the winter wheat people would have the effect of this amendment deferred until the harvest in the fall of 1961 whereas the spring wheat people would have it imposed on crops to be harvested in 1960.

Mr. McGOVERN. The amendment goes into effect on any wheat planted in the 1960 crop year.

Mr. ANDERSON of Montana. As I interpret the wording of the gentleman's amendment, it goes into effect for the spring-wheat farmers a year earlier than it does for the winter-wheat farmers.

Mr. McGOVERN. We have to have a beginning point.

Mr. ANDERSON of Montana. Then should we not say "harvested in 1960" instead of "planted in 1960"? We are talking about two crops here, the crop harvested in 1960 and the crop harvested in 1961.

Mr. McGOVERN. I think the amendment accomplishes what we are after the way it is worded.

Mr. ANDERSON of Montana. No. It does not accomplish what the gentleman is talking about for the crop to be harvested in the winter wheat area in 1960 because most of that crop will be planted in 1959.

Mr. McGOVERN. I have no objection to changing that to take care of that problem.

Mr. ANDERSON of Montana. Could the gentleman be permitted by unanimous consent to so change his amendment?

Mr. SMITH of Iowa. I believe you said planted in the crop year. The crop year is from July 1 to July 1 so there is nothing wrong with your amendment.

Mr. McGOVERN. Does that satisfy the gentleman's complaint about the amendment?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman.

Mr. COOLEY. I just want to add to what the gentleman has said that of the 1,700,000 wheat acreage allotments during 1958, there were only 287 loans in excess of \$35,000 which only involved less than 9½ million bushels of wheat and the money involved is slightly more than \$16 million as related to \$1,011,880,000. The total of 9 million bushels is related to 556,300,000 bushels.

Mr. Chairman, I point that out to show to the Members that it is not necessary for us to kid ourselves into believing that we are accomplishing anything by adopting the gentleman's amendment. The fact is that I oppose the amendment, but I assume the House will probably impose this limitation. But, I just wanted the House to know that we are doing something that is



not of great consequence and will not accomplish much when this \$35,000 limitation is imposed.

Mr. McGOVERN. Mr. Chairman, in view of the question that has been raised by the gentleman from Montana about the wording of the amendment I have offered, I ask unanimous consent that in the amendment the word "planted" be changed to the word "harvested" so that all of these crops will be treated alike.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN: On page 5, line 2, strike out the period, insert in lieu thereof a colon, and add the following: "Provided further, (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000; (2) that the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection; (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation; and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Mr. MOORHEAD. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD to the amendment offered by Mr. McGOVERN: After "legal entity," insert "or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household."

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORHEAD] is recognized in support of his amendment.

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Chairman, I rise in support of my amendment to the amendment proposed by the gentleman from South Dakota.

Let me first say that I think the amendment proposed by the gentleman is a good one, and I am in favor of it. However, I believe that the language of the amendment as now drafted contains a loophole which could possibly be used to destroy the intended effect.

Let us take as an example a man with a wife and two children who owns and operates a wheat farm of 100,000 acres. The purpose of Mr. McGovern's amend-

ment is to limit the amount of price support which this farmer could receive from the Commodity Credit Corporation in any one year to \$35,000. This farmer by a series of divisions of his acreage could set up 1,000 acres as a partnership with his wife, another 1,000 acres in corporate form with his daughters as stockholders, and various other forms of legal entities, each of which could be used under the present language to entitle him to \$35,000. Thus instead of a limit of \$35,000, he might actually be able to collect hundreds of thousands of dollars.

The amendment I propose would change the language so that any two or more legal entities having the same beneficial ownership or owned by members of the same household, would constitute only one "person" for purposes of determining the limitation. This would prevent any one family from collecting more than the intended \$35,000, by setting up a series of dummy corporations or partnerships.

I also have in mind a similar situation to which I believe my amendment would apply. This is the so-called vertical combine; that is, a supermarketing organization in which is combined the services of the farmer, the middleman, and the distributor. It would be quite possible for such a huge organization to set up several legal entities, but the beneficial ownership would still be in only one corporation. My amendment is intended to prevent such an organization from receiving more than the \$35,000 intended under the amendment of the gentleman from South Dakota.

Mr. Chairman, there are no farmers in my district. It is located in the center of the great industrial city of Pittsburgh.

People there are watching farm bills these days more intently than ever before and well they should be.

The factory workers, professional people, and housewives are bearing the cost of this program as consumers and taxpayers.

However, these city dwellers also realize that they benefit from this legislation because the strength of the economies of the cities of America depends, in large measure, upon the strength of the economy or rural America.

There is an interdependence of rural and urban America.

I hope that the representatives of rural America realize that the cities of America are their best customers, and that a healthy rural economy depends upon healthy urban economies. I think they do. Most of them supported the housing bill because they realized that the cities of America had a desperate need for Federal assistance.

Insofar as the small or family farm is concerned, we of the cities recognize that there is also a need for Federal assistance. We recognize that the small farmer is beset by problems completely beyond his control and beyond his financial ability to guard against.

If the small farmer has bad weather, drought, flood, or plague of insects, he loses his crop and possibly his home and source of livelihood. If he has good weather, so do his neighbors and he

loses money because the increased supply of his crop drives prices down.

The small farmer has a real need for Federal assistance.

Big corporate farms can weather bad years. They need subsidies about as much as General Motors needs help from the Small Business Administration.

The large farm combines do not—or should not—have the same need as the small farmer.

There is the specter of a growing revolt among city dwellers against continuation of a farm program which is not based upon need.

The Democratic Party has always recognized the problem of need wherever it may occur in any segment of our people.

However, the people of the cities believe that the farm program is too expensive.

They object primarily to the payment of tremendous subsidies to the large or corporate farm where there is no need.

Then why not direct the program away from the huge farm combines who do not need it and limit it to the farms where there is need?

Such a step would immediately save all taxpayers millions of dollars.

I understand that an amendment will be offered to accomplish this purpose. The amendment will place a top limit of \$35,000 on the amount of price support to any one person on any year's production of wheat. I am wholeheartedly in support of this amendment.

However, because the amendment may contain a loophole whereby the large farm combines could avoid the effect of the amendment, I propose to offer an amendment which, I believe, would close this loophole.

The \$35,000 limit will be a step toward placing our wheat program on a sound, realistic, and more economic basis.

I hope that city and farm will join together to adopt this amendment.

I hope city and farm will join in adopting this amendment as they soon must join in finding an even more fundamental solution to the frustrating problem characterized by the constantly increasing abundance of American wheat and other agricultural products which somehow we have been unable to make available to the world's starving millions who need them.

Today's bill embodies a program of 2 years—2 years in which we should be striving for better ways to use this abundance to strengthen America's position in world trade and forge stronger ties with freedom-loving people throughout the world.

Wheat, which now costs Americans money in taxes, can and should be producing more money instead as a valuable export.

Wheat, the center of a vexing problem of plenty, should, instead, be helping build roads in the underdeveloped areas of the world.

The avenue toward the first goal is through commerce.

Our Departments of State, Agriculture, and Commerce should, during the next 2 years, exert redoubled efforts to reverse the trend of declining sales of American wheat on the world market.



Our salesmen should be busy in potential markets throughout the world.

Russia, for example, has increased her wheat exports 500 percent in the past 2 years.

Why can we not?

In mentioning wheat as a valuable part of our foreign aid program, I mentioned that it can build roads in our underdeveloped areas of the world.

It can, and at the same time, save us valuable dollars.

In many of the world's underdeveloped areas basic public improvements such as roads are needed as a first step toward raising the general level of economy.

In India, for example, hundreds of small villages have not even a single road connecting them with larger centers.

The men who should be providing labor on them are, instead, desperately engaged in a struggle to eke out enough food for their survival.

It has been proposed that, as an economic type of American foreign aid, these native farmers be put to work and paid for their labor in wheat and other American foodstuffs.

In essence, we would be substituting food for dollars in foreign aid programs and, judging from the mounting surplus in many of our commodities, we have more food than dollars.

There is a visionary element, I admit, in both the foreign aid and commercial approaches I have suggested to our surplus wheat problem. But vision and imagination are required if we are to solve it.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield.

Mr. McGOVERN. I have no objection whatsoever to the language the gentleman would like to add to my amendment. I think it may clear up some area of doubt and I hope that it will be accepted.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is insignificant, and it would not accomplish what the author of the amendment seems to think it would accomplish.

In recent weeks the farm program has been held up to ridicule and Members of Congress have been held up to ridicule by a bunch of journalistic, gutter-snipe type of people who are trying desperately to bring this farm program into disrepute and ultimately to destroy it.

Why should we be frightened and intimidated by flaming headlines speaking of big operators as if they were some sort of villains, some sort of criminals imposing on the little taxpayer? I have talked to the largest wheatgrowers in this country. They are for this bill as we have presented it. Every wheat district represented in this Congress is for this bill as the committee brings it out to the House.

Why should we deny a loan to a man just because he is a big operator? We cannot have a control program controlling the operations of one group of producers alone; we control the operations of all producers. Why should we discriminate against any of those who

accept the hardship, the pains and penalties of the law and who stay within their acreage allotment? Why should we deny them a loan?

One man with whom I talked was a very large grower. The Government has not sustained any loss on his loans. He has borrowed millions from the Government and paid back millions to the Government with interest. The only time he did leave his commodity in the loan came when the Government lowered the price support on wheat and he was unable to sell it without a loss.

I hope this amendment will be rejected.

Mr. AVERY. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I find myself in a rather unique position this afternoon in rising to oppose this amendment. This tremendous effort to impose a limitation on the lending authority of the Commodity Credit Corporation seems to emanate from the time I offered an amendment to the agricultural appropriation bill for the fiscal year 1960. After it was rather overwhelmingly approved by the House, the other body hastened in to put an amendment similar to this one we have before the committee this afternoon on the wheat bill passed by that body. Then yesterday there was a similar amendment attached to the tobacco bill that was before the House. Now we are getting into a whole maze of rather complex situations in which there is no pattern nor consistency.

The reason I am opposing this amendment is not because I have any objection to the principle. I do not agree with the gentleman from North Carolina there is no justification for imposing a limitation. My objection to this amendment is based on the fact we have a limitation on the agricultural appropriation bill passed by the House. The Senate has accepted that limitation on the agricultural appropriation bill. They have amended the language, but the \$50,000 limitation remains. We come in here this afternoon seeking to impose a \$35,000 limitation on wheat and we are not going to be able to reach the other four basic commodities to put the same \$35,000 limitation on them.

It would seem to me, unless the chairman of the Committee on Agriculture wants to rise and tell us he will bring in legislation to the floor to authorize or impose a limitation on all the basic commodities, that we better let this one go by and let the \$50,000 limitation prevail that is in the agricultural appropriation bill and was attached to the tobacco bill considered by the Committee and the House on yesterday.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from South Dakota.

Mr. McGOVERN. May I ask the gentleman from Kansas if he rose in opposition to the amendment yesterday to the tobacco bill, very similar to this amendment?

Mr. AVERY. It is my understanding that was a \$50,000 amendment.

Mr. McGOVERN. I think it was the same as the amendment that is being offered.

Mr. AVERY. Mr. Chairman, I yield to the gentleman from Illinois to make a contribution.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman yielding. The reason we offered the amendment in the language we did was for the purpose of getting some sort of uniformity. I must say I subscribe somewhat to the remarks made by the gentleman from Kansas, in that if we continue to set different figures and varying language for every set of commodities, we are getting into a very untenable position. I would be willing to withdraw from the position I took yesterday, if we could get some assurance from the distinguished chairman that the legislative committee will take this matter in hand and come up with something that is uniform for everybody, something that we can all understand, without this haphazard method of legislating.

Mr. COOLEY. The gentleman's amendment was for \$50,000?

Mr. AVERY. Yes.

Mr. COOLEY. To the tobacco bill?

Mr. AVERY. Yes.

Mr. COOLEY. I did not oppose it because actually I was advised that the amendment would have affected in the entire life of the tobacco program only four loans. We are about to do the absurd thing of pretending to the country we are doing something of great importance when the amendment offered by the gentleman would only be applicable to loans totaling \$16 million against total loans in the wheat program of over \$1 billion in the last year. It is not too important, but I assure the gentleman that just as soon as circumstances will permit our committee will go into this very thing and try to bring about some uniformity.

I want to say to the House that we expect to start on some long range farm programs when time will permit. But we are doing something vain and foolish by adopting this loan limitation amendment.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(By unanimous consent (at the request of Mr. AVERY) he was allowed to proceed for 1 additional minute.)

Mr. AVERY. Mr. Chairman, I find myself in agreement on this particular issue with the chairman of the Committee on Agriculture. I do not see how we can justify a \$35,000 limitation on wheat and a \$50,000 limitation on all the other commodities. I do not quite understand here today how we could have any assurances of seeking or imposing a limitation on the four commodities that very possibly will not be before the Congress this year. So let us not adopt this amendment, let the \$50,000 limitation in the appropriation bill apply for 1960; then we can take this matter up with the legislative committee where it rightfully belongs for the crop year 1961.

[Mr. GROSS addressed the Committee. His remarks will appear hereafter in the Appendix.]



The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN to the amendment: Strike out the sum "\$35,000" and replace the sum with the sum "\$50,000."

Mr. BALDWIN. Mr. Chairman, this amendment is simply to bring the wheat limitation in line with the limitation adopted yesterday for tobacco and the amendment adopted in the appropriation bill a couple of weeks ago for other price supported commodities. I hope the House will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN] to the amendment as amended.

The question was taken; and on a division (demanded by Mr. BALDWIN) there were—ayes 33, noes 76.

So the amendment to the amendment as amended was rejected.

The CHAIRMAN. The question is on the amendment as amended.

The amendment as amended was agreed to.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: On page 10, line 10, strike out all after the word "quota"; and strike out lines 11 through the word "vote", on line 20, and insert in lieu thereof the following: "Farmers eligible to vote in such referendum shall be those farmers on farms to which a wheat acreage allotment was established in the calendar year immediately preceding the calendar year in which the referendum is held."

Mr. LATTA. Mr. Chairman, we have heard much discussion here this afternoon about giving the small farmer the right to vote in a wheat referendum. I propose by this amendment to give all farmers the right to vote who had an acreage allotment the preceding year. It would not give the right to vote to farmers who did not have any acreage allotment.

I am particularly concerned with the large number of farmers who have between one-tenth of an acre and 15 acres in the United States, in wheat, who are not permitted to vote in a wheat referendum even though they are affected indirectly by such a program.

For example, in the State of Ohio we have 45,026 farmers who have acreage allotments of from one-tenth of an acre to 5.9 acres who are now denied the right to vote in a wheat referendum, and 44,201 farmers who have an acreage allotment of between 6 acres and 10.9 acres; and we have 21,980 farmers who are not permitted to vote who have between 11 and 15 acres of land in wheat.

For example, in the 48 States, those who have between one-tenth of an acre and 5.9 acres number 488,619 who are not permitted to vote. In the category of 6 acres to 10.9 acres we have 263,985 who are not entitled to participate in this program.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. SHORT. I am in accord with the objective the gentleman is trying to achieve through his amendment. But I think I should point out to him that the statistics he was quoting a few moments ago also include 355,950 farmers who have an acreage allotment of zero up to one-tenth of an acre and under the provisions of the law, if amended as he suggests, would also be able to vote.

Mr. LATTA. The gentleman is absolutely incorrect. I did not read those figures to which he referred. To be exact and to be correct the number in Ohio with an allotment of zero happens to be 19,598. The total number in the United States is 355,956. And, as I pointed out to the Committee at the beginning of my remarks, this amendment would not include those individuals because they do not now have an allotment.

Mr. LEVERING. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. LEVERING. Mr. Chairman, I rise in favor of the amendment and I hope it will be adopted.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. BELCHER. Do I understand that under the gentleman's amendment he is giving everybody with a wheat allotment regardless of size the privilege to vote?

Mr. LATTA. That is correct.

Mr. BELCHER. That means that a farmer who has an allotment under 15 acres will have the privilege of voting in a program under which he does not come; in other words, he can vote in a program under which he does not suffer any of the penalties of marketing quotas. Is that correct?

Mr. LATTA. Mr. Chairman, I would like to say to the gentleman notwithstanding the correctness of his statement, those individual farmers to which this amendment will have reference are indirectly affected by this program. They are restricted by the very law to 15 acres or under in their production. So they are indirectly affected by the program and I, therefore, maintain they should be permitted to have the right to vote.

Mr. ALBERT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ALBERT as a substitute for the amendment offered by Mr. LATTA of Ohio: On page 10, beginning after the period on line 10, strike out through the period on line 20 and insert: "Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment."

Mr. ALBERT. Mr. Chairman, this amendment seeks to do two things; first, to take care of an omission that resulted when the bill was redrawn, and to make sure that everyone subject to marketing quotas is permitted to vote.

Secondly—and I would like to address this remark to the gentleman from

Oklahoma [Mr. BELCHER], who raised the question with the gentleman from Ohio [Mr. LATTA]. This amendment enfranchises everyone who is subject to marketing penalties, and that is all that any marketing penalty law for any crop does, so far as I have been able to find out. It goes further and says to those who are within the exemption if they have an acreage allotment and planted the allotment and no more, they will be eligible to vote.

Mr. BELCHER. Does that put any restriction on them as to whether or not they can vote with the 15 acres? Do I understand if they had a 3-acre allotment this year, they could vote in the program to put marketing quotas on everyone else and then they could go ahead and plant 12 acres of wheat?

Mr. ALBERT. No; this will only authorize certain ones to vote. This will authorize that individual to vote who has an allotment of less than 12 acres but who lives within his allotment. He has a choice between taking the exemption and living within the program with everybody else and voting like everybody else.

Mr. BELCHER. In other words, if he votes he must live within the program.

Mr. ALBERT. That is right. That is all there is to it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HALLECK. And if he does not live within his allotment, then he has no right to vote?

Mr. ALBERT. That is right because he is not subject to the law up to the point of his exemption.

Mr. HALLECK. In other words, in the committee bill, as I understand it, there is a 12 acre exemption.

Mr. ALBERT. That is right.

Mr. HALLECK. If a man did not have a 12 acre allotment and did plant 12 acres of wheat, he would have no right to vote.

Mr. ALBERT. That is right. But, he has the right under the exemption to live within his allotment and vote or plant more and not vote.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. SHORT. I hope and I am sure the distinguished chairman of our wheat subcommittee understands the amendment he has introduced here, but I am wondering if the language is quite clear. The law provides that you shall not be eligible to vote if you are not subject to quotas. The law we are considering limits this to those who plant 12 acres of land. I think there is possibly the need for clarification of the language in the exemption.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the amendment be again reported by the Clerk.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk again reported the substitute amendment.

Mr. ALBERT. This adds, I will say to the gentleman, or I will say it is intended to add to those eligible under



the law another group, to wit, those who live within their allotment but are not subject to marketing penalties.

Mr. SHORT. The only question that came to my mind, I will say, is as to whether or not there is a conflict between the provisions of the law which says that those who are not subject to quotas shall not be eligible to vote and the provisions of this amendment. That is the only question I have and, perhaps, it is getting pretty technical.

Mr. ALBERT. I think so far as this class is concerned, it certainly would modify existing law. That is the intention.

Mr. LATTA. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, in order that we all know the facts as to the substitute amendment offered by the gentleman from Oklahoma, I would like to point out that we are not getting much under the gentleman's proposed amendment. For example, if we were to pass this bill, H.R. 7246, and reduce the 15 acre-farmer to 12 acres, a person having only a 2 acre allotment would have to choose between growing 12 acres of wheat and not voting or growing 2 acres of wheat and voting—a difference of 10 acres. In our State of Ohio, the farmer will net \$50 an acre for growing wheat. When you multiply \$50 by 10 it means that he is paying \$500 to vote in a wheat referendum, and I say the price is too high, and I think the amendment should be defeated.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. JONES of Missouri. Can the gentleman tell us what percentage of large and small wheat producers vote in these farm referendums?

Mr. LATTA. In answer to the gentleman's question I may say that in 1958 there were 800,000 eligible voters; 235,039 voted; and if you want to know the percentage who voted "for" I can give it to you.

Mr. JONES of Missouri. I would like to have the figure.

Mr. LATTA. 86.2 percent voted for; 13.8 against.

Mr. JONES of Missouri. A minimum of the people eligible to vote voted. For the entire United States it was 20 percent.

Mr. LATTA. Very nearly; I would say it would be a little over 20 percent.

Mr. JONES of Missouri. For the whole United States 20 percent.

Mr. LATTA. Yes.

Mr. JONES of Missouri. So is it not a case of making a mountain out of a molehill, this matter of the vote?

Mr. LATTA. It may be making a mountain out of a molehill, but the people should have the right to vote.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I shall be pleased to yield to my distinguished chairman.

Mr. ALBERT. The gentleman recognizes now that my amendment will take care of every grower who desires to be a part of the program, and that it will not in any way take away the exemption of

those who do not care to be in the wheat program. Is that true?

Mr. LATTA. I agree with the gentleman's statement, but I do not think we should mislead anybody into believing that they are getting much by virtue of the amendment to the amendment, as the individual himself must choose between his allotment and the 12 acres. He can still plant his 12 acres, but he cannot if he takes his allotment.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. HOFFMAN of Michigan. What percentage of those who grow wheat throughout the country cannot vote?

Mr. LATTA. I do not have those figures. It is a very small percentage.

Mr. HOFFMAN of Michigan. It is far more than half, is it not? You do not claim that 50 percent of the wheat growers of the country vote.

Mr. LATTA. No.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Michigan.

Mr. BENTLEY. I would like to ask the gentleman if the Albert substitute provides that if after the referendum everybody who participated in the referendum would be subject to marketing quotas?

Mr. ALBERT. No, that is not correct.

Mr. BENTLEY. Only those in excess of 12 acres.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take this time simply to say that this thing has cleared up pretty well. The question is simply whether you want to let people vote in a referendum which will not affect them. In other words, should the citizens of Texas vote to select the Mayor of New York? That is just about how this works, because if you adopt the Latta amendment you allow a substantial group of people who are not affected by any controls to vote controls on others.

If, on the other hand, you adopt the Albert substitute you let every wheat grower in the United States who is subject to marketing quotas and who abides by them to vote in determining whether or not we have these marketing quotas.

If a wheat grower does not want to abide by his quotas he can grow 12 acres under the Albert bill. He can grow 12 acres without any compliance on his part whatever. On the other hand the Latta amendment would let him vote to impose a limitation upon his neighbor.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. BENTLEY. The gentleman said that the Albert substitute would let everybody now subject to marketing quotas vote.

Mr. POAGE. No, that is not what I said. I said everybody who is subject to marketing quotas and abides by them.

Mr. BENTLEY. What about people who are not subject to marketing quotas; can they grow 12 acres?

Mr. POAGE. Anyone can grow up to 12 acres and if they abide by their marketing quotas they can vote under the Albert amendment. It does not take a quota to grow 12 acres, but it takes a quota and compliance with that quota to vote.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Certainly.

Mr. ALBERT. This substitute amendment will do two things: First, all those who are subject to marketing penalties will be eligible to vote. Second, all those not subject to marketing penalties who have allotments and abide by the allotments will also vote.

Mr. BENTLEY. Abide by the allotments and the marketing quotas.

Mr. ALBERT. The gentleman is correct.

Mr. POAGE. The marketing quota is based on the allotment.

Mr. QUIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask the gentleman from Oklahoma [Mr. ALBERT], if he will yield for a question.

Mr. ALBERT. I yield to the gentleman.

Mr. QUIE. What year would the gentleman take into consideration, under his amendment to the amendment, in the first referendum, which is coming up this year? Would that mean that if in 1959 he stays within his allotment that then he would be able to vote in 1959 on 1960 quotas?

Mr. ALBERT. The gentleman is right.

Mr. QUIE. Like on my part if I had a 7-acre allotment, and if I stayed below that I would be able to vote in 1959?

Mr. ALBERT. After consulting counsel, I am advised it is based upon his performance this year. That is correct.

Mr. QUIE. This year?

Mr. ALBERT. Yes.

Mr. QUIE. So if I have an allotment of this year of 7 acres and I raise less than 7 acres of wheat, I would be able to vote this year in the forthcoming referendum?

Mr. ALBERT. That is correct.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. If you stay within the allotment this year, you can vote on next year's allotment, is that correct?

Mr. ALBERT. You can vote in the referendum to be held in July of next year.

Mr. BELCHER. You would be under no obligation to stay within that allotment when you planted your wheat this fall?

Mr. ALBERT. No. It depends on your performance. There would be no other way of doing it.

Mr. BELCHER. A man is obligated to live up to the way he votes?

Mr. ALBERT. He has earned his eligibility by his performance, I may say to the gentleman.

Mr. BELCHER. He can then grow 12 acres of wheat without penalty.

Mr. QUIE. Mr. Chairman, the situation, before the offering of the Belcher amendment, is such that I think this is



a good amendment to the amendment and I plan to support the amendment to the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, if I grow wheat but do not participate in any way in the program, may I vote?

Mr. ALBERT. The gentleman is eligible to vote under two circumstances. One, if he is subject to marketing penalties; and that means anyone who plants more than 12 acres or has an allotment of over 12 acres; or, two, if he has an allotment, small or large, and he lives within that allotment, he automatically is eligible to vote.

Mr. HOFFMAN of Michigan. That is not my question. What I asked is this: I grow wheat, maybe 1 acre, maybe a hundred acres, but do not participate in the program. May I vote?

Mr. ALBERT. Yes, because you would get an allotment if you are a wheat grower.

Mr. HOFFMAN of Michigan. Whether I want it or not?

Mr. ALBERT. Yes.

Mr. HOFFMAN of Michigan. And I do not vote?

Mr. ALBERT. No.

Mr. HOFFMAN of Michigan. And cannot?

Mr. ALBERT. You cannot vote.

Mr. HOFFMAN of Michigan. What percentage of the farmers in the United States who grow wheat cannot vote?

Mr. ALBERT. A considerable number.

Mr. HOFFMAN of Michigan. How many? What percentage?

Mr. ALBERT. I do not have that percentage. I am sorry.

Mr. HOFFMAN of Michigan. Those who participate and get something out of it will vote for it, and nobody else?

Mr. ALBERT. Those who desire to participate in the program.

Mr. HOFFMAN of Michigan. Those who participate and get something can vote. Nobody else can vote.

Mr. ALBERT. If the gentleman will yield, they all can vote for their Congressman.

Mr. HOFFMAN of Michigan. But they have to be a party to it?

Mr. ALBERT. What was the question?

Mr. HOFFMAN of Michigan. The question is, If I do not participate—

Mr. ALBERT. You cannot vote.

Mr. HOFFMAN of Michigan. Even though I grow wheat, I cannot vote?

Mr. ALBERT. That is right.

Mr. HOFFMAN of Michigan. So that everybody who votes for it is eligible to get something out of it?

Mr. ALBERT. No. The gentleman is correct in this: Everyone subject to marketing penalties or who complies with an allotment is permitted to vote.

Mr. HOFFMAN of Michigan. If you do not get anything out of it you cannot vote?

Mr. ALBERT. I cannot answer that.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Oklahoma to the amendment offered by the gentleman from Ohio.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended by the substitute.

The amendment as amended was agreed to.

Mr. BELCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BELCHER: Strike out all after the enacting clause and insert "That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to co-operators and noncooperators for the 1960 crop and each subsequent crop of wheat shall be 50 per centum of the parity price of wheat: *Provided*, That if price support at 50 per centum of the parity price is in effect under this section, the current price support for wheat, for the purposes of section 407 of the Agricultural Act of 1949, as amended, shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

"SEC. 2. (a) Item (1) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however*, That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the

rate of penalty on wheat of the 1960 and subsequent crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

"(c) Item (3) of Public Law 74, Seventy-seventh Congress, as amended, is amended effective beginning with the 1960 crop of wheat to read as follows:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is repealed effective beginning with the 1960 crop of wheat.

"SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (12)) is repealed effective beginning with the 1960 crop of wheat.

"SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

"(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1960 and subsequent crops;'

"(c) Section 362 is amended by deleting the second sentence thereof.

"SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

"SEC. 6. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

"(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot,



to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat."

Mr. ALBERT. Mr. Chairman, would the gentleman yield so that we might secure some idea as to time?

Mr. HOEVEN. I have no way of knowing how many want to speak on this amendment. I suggest we let the matter run along for a bit and see what arrangements we can make.

Mr. ALBERT. Very well.

(Mr. BELCHER asked and was given permission to proceed for 5 additional minutes.)

Mr. BELCHER. Mr. Chairman, I am going to try to be just as brief as I can. We thoroughly discussed this matter awhile ago, and I would just like to point out to the House what this substitute actually does. It is a substitute bill. However, the reason it is offered as a substitute is for the purpose of clarity. It adopts a lot of the provisions of the committee bill, but I thought it would be more easily understood if I offered it as a clean substitute bill rather than have to go along and amend 6, or 8, or 10 different spots in the bill. For that reason I will just try to point out what the present law is and what this substitute will do.

Of course, the present law is permanent. Under the committee bill it applies to 1960 and 1961 only. My bill is permanent.

There is a 55 million acre minimum allotment at the present time. My bill keeps the same 55 million acre allotment. The committee bill keeps the same 55 million acre allotment but requires for the first 2 years that the bill is in effect a reduction of 25 percent.

Marketing quotas: At the present time up to 15 acres there are no marketing quotas and no penalties.

The committee bill provides for 12 acres or the highest amount planted within the last 3 years. My bill completely repeals the 15-acre exemption.

Price supports: The present price support is from 75 percent to 90 percent of parity. My bill retains that provision. The committee bill provides for 90 percent of parity. Penalty for overproduction at the present time is 45 percent of parity times the normal yield of marketing excess. Both my bill and the committee bill provide for 65 percent of parity penalty for double the normal yield or the actual yield, whichever is the lesser.

At the present time a noncooperator is not eligible for price supports if marketing quotas are not in effect. Both under the committee bill and my bill, if marketing quotas are voted down, there shall be a 50-percent price support for cooperators and noncooperators. In other words, there will be a 50-percent price-support program for everybody

that cares to raise wheat, whether he has an allotment or stays within his quota or not, there being absolutely no control, and 50-percent price support. The committee bill reduces the wheat allotment by 25 percent but pays a bonus of one-third of the average yield if the farmer does not use that land for any other purpose, even including pasture. My bill retains the present law, because there is no reduction.

The wheat history is preserved under both the committee bill and my bill. All farmers who grow wheat are eligible to vote under my bill. Under the committee bill only those that are subject to marketing quotas in accordance with the amendment that was just agreed to are able to vote.

Under both bills the 30-acre ceiling upon the amount of wheat that can be planted and raised on the farm is eliminated, which means that any farmer can raise any amount of wheat that he desires as long as he consumes the entire amount on the farm.

As has been stated, the committee bill is stop-gap legislation. It applies only to the 1960 and 1961 crop. The thought occurs to me that at that time we are going to be in almost the same position that we are in now; we are still going to have a surplus of wheat. We will have spent a lot of money on the wheat program and in addition to that we will have a 90 percent price support established. Now, everyone knows that listened to the debate at all yesterday that when you establish a 90 percent price support for any commodity, it is very difficult to lower it. The tobacco people had that experience all during this session of the Congress of how to get below the 90 percent without permitting the farmer to find out that they were actually going to go below the 90 percent. And, we will be in that same position with wheat in 2 years if we cannot reduce the 90 percent.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Kansas.

Mr. AVERY. Will the gentleman tell us again what his bill will do with respect to the 15-acre farmer?

Mr. BELCHER. The 15-acre farmer will be put under the program just exactly the same as any other program. This treats every farmer alike. If he has an allotment, he can raise up to the allotment and he can get price support on all the wheat raised up to his quota, but he will pay a penalty for any wheat that is raised above the quota.

In addition to that, everyone that is a wheat raiser in this country, whether, as the gentleman from Michigan says, he is going to get anything out of the program or not, will have an opportunity to vote whether marketing quotas shall be invoked.

In other words, under my bill, as I stated in general debate, this is the first bill that pertains to wheat or that has put every wheat farmer in the country absolutely under the same program, with the same price supports, with the same vote, with the same penalty, and having his allotment determined entirely on the same basis. The largest farm organi-

zation in America, the American Farm Bureau, that represents more wheat raisers than anybody in the country, has endorsed this program. Undoubtedly all other Members got the same telegram that I got. There are two amendments they would prefer to this bill. One would provide for 55 percent of parity in case marketing quotas were voted down. The other would be to change the penalty law to apply to planted acres and not harvested acres.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. HAYS. Suppose a farmer in my State has an allotment of 2 acres, but has been able to find 8 or 10 or 12 acres as a cover crop to use with his 2 acres. What happens to him?

Mr. BELCHER. He cannot only raise 8 or 10 acres, but he can plant another 100 acres along with it and use every single bushel of it, if he uses it on his farm.

Mr. HAYS. As long as he uses it on his farm he is exempt from the penalty?

Mr. BELCHER. As long as he uses it on the farm he is exempt from every kind of penalty.

Mr. COOLEY. That could be done under the committee bill, but I believe not under the gentleman's amendment.

Mr. HAYS. That is what I was trying to find out.

Mr. COOLEY. Does the gentleman make any provision that permits the use of wheat grown on the farm for feed?

Mr. BELCHER. Certainly; if the gentleman had been listening, I covered that just a few moments ago. You can raise any amount of wheat you want to, as long as you consume it on the farm.

Mr. COOLEY. The result of the gentleman's proposal is to do away with the 15-acre exemption?

Mr. BELCHER. That is correct.

Mr. COOLEY. I wanted to make that perfectly clear.

Mr. BELCHER. It does away with the 30-acre limitation, too. You can plant any amount of wheat you want to if you use it on the farm.

Mr. COOLEY. But the committee bill does the same thing.

Mr. BELCHER. That is right. I said both bills provide that you can raise any amount and feed it on the farm. Both bills take care of the Yankus case.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. GROSS. How does the gentleman's bill cut production?

Mr. BELCHER. By the elimination of excess production that has been grown, by the difference between the wheat allotment of 5, 6, 7 acres and 15 acres that they are able to grow in excess of allotments.

Mr. GROSS. Does the gentleman contend that his bill is going to cut production?

Mr. BELCHER. Yes, sir; and the statistics will show it.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. Yes.

Mr. JENNINGS. Under the provisions of the gentleman's bill, What is the mini-



imum acreage allotment for the entire Nation?

Mr. BELCHER. Fifty-five million acres.

Mr. JENNINGS. The same as in the present law today?

Mr. BELCHER. Yes, sir.

Mr. JENNINGS. Then as I understand, the only reduction the gentleman is recommending would come from the 15-acre producer. He is not recommending any cut from the producers of the 55 million acres or the larger producers; is that correct?

Mr. BELCHER. I am saying that anybody who produces excess wheat, whether he is a little or big producer, is going to have to go back to his allotment. That applies to big producers as well as little producers.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 40 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOEVEN. Mr. Chairman, reserving the right to object, this is the most important amendment to the bill; will the gentleman amend his request to make it 1 hour?

Mr. COOLEY. Mr. Chairman, I am willing to make it 55 minutes, which would come at 5 o'clock.

Mr. MORRIS of Oklahoma. Mr. Chairman, reserving the right to object, I have an amendment to offer, but I would like to be assured I will have at least 5 minutes to discuss it.

Mr. COOLEY. The gentleman will have a chance to discuss it. He will get some time; I do not know how much.

Mr. MORRIS of Oklahoma. I do not know whether I will or not.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from North Carolina that all debate on the pending amendment and amendments thereto close in 55 minutes?

Mr. MORRIS of Oklahoma. Mr. Chairman, I am constrained to object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 55 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is only one thing I think people ought to realize about this Belcher amendment and that is that it provides that all the reduction in acreage would be taken away from the small farmer, the farmer who is growing less than 15 acres of wheat. That is No. 1 and make no mistake about it. All of the reduction in the production of wheat would be made by farmers who are producing 1, 2, 3, 4, and up to 15 acres of wheat. There would be no reduction of acreage for the fellow who is producing

100 or 200, 500, 2,000, or 25,000 acres of wheat—there would not be 1 acre of reduction. Is that fair? That is what this means. There are 1,250,000 farmers who have been growing 15 acres of wheat or less. There are 1,250,000 small farmers who would have to bear the burden of all this reduction and it would not touch a single large wheat producer. Now those are the facts. If that is the way you want to legislate, go to it. The gentleman says he wants to treat everybody alike. I presume he would like to see the income tax changed and tax everybody at 10 or 20 percent and then we would all be treated alike. If you want to follow that conclusion, then let us vote for this Belcher amendment and treat everybody alike. The gentleman said we are going to take a loaf of bread away from everybody. If a fellow had one loaf of bread he would lose that. If a fellow had 10 or 25 loaves of bread plus a big roast turkey on his table, he would lose 1 loaf of bread. But, that would not mean anything to that fellow, of course. The fellow who has the large acreage would not be touched by this amendment; it is a phony. This should be remembered too. Any representative coming from any area that produces Soft Red Winter wheat which is in demand and of which there is no surplus will be doing a grave injustice not only to the small farmer who is producing that type of wheat, but he will be creating a shortage of a type of wheat that is needed and he would not be making a reduction of one iota in the wheats that are in surplus today.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. BROWN of Missouri. The gentleman from Missouri is striking right at the heart of this problem; is it not true that we have had a 15-acre exemption in the law in this country since 1942 and for 16 years these people have been allowed the exemption to produce 15 acres of wheat?

Mr. JONES of Missouri. The gentleman is right. Another thing I want to say is this. The so-called small farmer who produces under 15 acres does not give a snap of his finger for the right to vote. They want to grow that 15 acres of wheat so that they can make a little money and try to create some income out of that small farm. That is all that we are asking for here today. The person who is interested in destroying the entire farm program and who wants to bring in a million so-called voters, and most of these people are in areas where they would rather have no farm program at all, and if we are going to let those people control the farm program, then I do not think we are doing any service to the other farmers of the country. But as I was saying the small producer cannot produce wheat as efficiently as the big producer with his big equipment, and he cannot take that small reduction. He will be wiped out entirely.

Mr. Chairman, I want to repeat again—if you want to be fair to the small farmer—if you want to hurt these

1,280,000 small farmers who will take all of the reduction, then just vote for this Belcher amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. ALBERT] is recognized.

Mr. ALBERT. Mr. Chairman, following what the gentleman from Missouri [Mr. JONES] has said, I would like also to emphasize that not only does this bill take the entire cut in production out on those who have less than 15 acres, but also it preserves as permanent law a 55 million minimum acreage allotment for the commercial producers of this country.

Are we ready at this time to make that kind of permanent decision? The committee has brought out a bill which will cut the commercial producer by about 14 million acres for a two-year period. In that time a lot of things could happen. We are going to learn a lot about new varieties; we are going to learn a lot of things about feed grain problems. These things have to be coordinated; there is no question about that. But I doubt as a matter of policy at this late date that we should endorse in a new permanent law a 55 million acre minimum national allotment.

One of the things the President stressed in the message he sent to the Congress on January 29th was the elimination of the 55 million acre minimum allotment, adjusting the acreage to the amount of wheat that can be sold for dollars under the support price that prevails.

We have cut that minimum to 41 million acres for the life of the bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. COOLEY. Is not that the very thing Secretary Benson has been complaining about all along, that we have a 55 million acre limit?

Mr. ALBERT. That is one of the big items.

Mr. COOLEY. Our bill reduces that by 14 million acres.

Mr. ALBERT. The gentleman is correct.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORRIS] is recognized.

Mr. MORRIS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS of Oklahoma as a substitute for the amendment of Mr. BELCHER: Strike out all after the enacting clause and insert in lieu thereof the following: "That title I of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"PRICE SUPPORT (WHEAT)

"SEC. 106. (a) Notwithstanding the provisions of section 101, price supports shall be made available for each of the 1960 and 1961 crops of wheat as provided in this section. The Secretary shall, subject to the provisions of subsection (b), make a payment respect to wheat marketed by a wheat producer, in good faith, in the normal and usual manner at the prevailing market price. In the event a producer is unable to market his wheat, after attempting to do so, by reason of a lack of a market or for any other reason beyond his control, the Secretary



shall, through the facilities of the Commodity Credit Corporation, purchase wheat from him in the amounts and at the prices provided in subsection (b).

"(b) (1) The payment with respect to the marketing of wheat from any farm shall be equal to the difference between the sales price and—

"(A) 100 per centum of the parity price, to the extent of \$2,000 in payments,

"(B) 75 per centum of the parity price, to the extent of the next \$8,000 in payments, and

"(C) 50 per centum of the parity price, to the extent of the next \$30,000 in payments.

"(2) Where the Secretary purchases wheat under this section, his payments with respect to such wheat shall not exceed an amount which he determines will provide the same return to the producer as he would have received had he marketed such wheat and received a payment at the rate provided in paragraph (1).

"(c) The Secretary shall provide by regulation (1) for dividing any payment made under this section among producers on a fair and equitable basis where there is more than one producer on a farm, and (2) which will prevent a producer from receiving payments greater than those provided for in subsection (b), by reason of his operation of more than one farm.

"(d) The Secretary shall determine the amount of payments made under this section on the basis of such reports and records as he may by regulation require, and for such purpose he may utilize information contained in returns filed by producers under the Internal Revenue Code of 1954.

"(e) The Secretary shall have, in carrying out this section, the same authority as he has, under section 373 of the Agricultural Adjustment Act of 1938, with respect to carrying out title III of that Act."

"SEC. 2. (a) Section 301(b) (6) (A) of the Agricultural Adjustment Act of 1938 is amended (1) by striking out 'rice, tobacco, and wheat' and inserting in lieu thereof 'rice, and tobacco', and (2) by striking out 'in the case of corn and wheat' and inserting in lieu thereof 'in the case of corn'.

"(b) Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, and the joint resolution of May 26, 1941, are hereby repealed."

The CHAIRMAN. Does the gentleman offer his amendment as a substitute for the Belcher amendment?

Mr. MORRIS of Oklahoma. Yes.

The CHAIRMAN. The gentleman from Oklahoma is recognized.

Mr. MORRIS of Oklahoma. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORRIS of Oklahoma. For what period of time?

The CHAIRMAN. For approximately 2 minutes.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield.

Mr. HOEVEN. As I understand, this substitute provides a system of direct payments to farmers, the discredited Brannan plan about which we have heard so much today.

Mr. MORRIS of Oklahoma. I would not call it the discredited Brannan plan. It is not exactly the Brannan plan. It is similar to it. It is a plan for direct payments.

I cannot yield further, Mr. Chairman; I have only 2 minutes.

Some day we will adopt, at least in substance, this plan, but frankly, I do

not know whether the temper of the House is such as to adopt it now.

Some day we will come to it because it is the answer to our agricultural problem, in my judgment. My substitute will permit the law of supply and demand to have complete and free operation. There will be no controls, but it will guarantee to the small farmer and even larger ones that they will receive a fair price for the wheat that they raise. It is on a graduated scale. If for instance a farmer makes as much as \$2,000 worth of wheat measured by full parity up to \$2,000 worth but when he sells it he does not receive that much for his wheat, then the Government will make up the difference; and in a similar manner a farmer is guaranteed 75 percent of parity up to \$8,000 addition and 50 percent of parity for a still additional \$30,000 worth.

It is like supporting the manufacturers in this country with a tariff, the railroads and the shipping industry, and many others with direct subsidies which as long as they are reasonable, I do not oppose. Of course, we are using now something similar to this on wool. Yes, we will come to this program as set out in my amendment eventually. We will not have to continuously carry on with great expense for storage. My amendment will eventually do away with storage, in my judgment. The expense as provided in my amendment will be infinitesimal compared to what it is now. Yes, we really will come to this some time, and it will bring about voluntarily reduction of wheat especially as to the big, big business farmer.

I wish I had the time to go into it and really analyze the matter fully. I will say, however, that from 1910 to the present time the farm population has been going down, down, down. In 1910 the population of our country on the farms in America was 34.9 percent of our entire population. It is now a little less than 12 percent.

Mr. Chairman, is this not obvious that something is wrong? We have used a lot of figures heretofore showing that the farmer actually receives a very small amount of subsidy compared to others. For instance, I have heretofore put in the record the fact that from 1932 to 1952 the manufacturers in this country received a subsidy, in the nature of the tariff, of \$40.8 billion while the farmer, during the same period of time, received only \$1.2 billion as a subsidy for price supports. So you see the taxpayer gave to the manufacturer, to support his price, about 40 times as much as he gave to the farmers during the same period of time. This is definitely unfair to the farmer. The farmer, and especially the small farmer, has really taken it on the chin. A farmer's life is a good life and a happy one if he can make a living for himself and family. Millions of our people would like to live on farms if they could make a reasonably good living on the farm. But they cannot unless they receive a good, fair price for their products. The fact that they cannot make a good living on the farm is the reason so many of them have been moving off the farm. This is not good for our country and is creating unemployment in our

beloved Nation. Let us put more people back on the farm, where they want to be, by providing them a fair, reasonable price for their labors and products.

(Mr. MORRIS of Oklahoma asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, in the short time I have, I would like to say why I support the Belcher substitute. The committee proposal misleads the farmer. It dangles in front of him 90-percent support with a reduction of 25 percent in acreage and one-third payment in kind, thinking in that way they can get his vote for a program that is bound to fail.

But this is not going to solve the problem. At best it is only suggested that it will reduce the cost of the program to the taxpayer, not eliminate it. The better reasoning and authority is that it will actually raise the cost of the program.

What happens after 2 years? The temporary program is kicked out and things are in worse shape than they are at the present time.

When the in-kind payment in wheat for the acres representing the 25-percent cut provided in this bill is understood, it will be recognized that it is even more objectionable than a cash payment, and the taxpayers of the Nation will not tolerate it. This is what happens: An estimate is made of what these acres taken out of production would have produced, by taking the actual average yield for the past 3 years on the farm in question, and the farmer is given one-third of that amount out of the surplus wheat now in storage. He sells that on the market. There is nothing in this bill to increase consumption or use. Therefore, the same number of bushels will be taken from the crop currently produced and placed in surplus storage, at \$2.13 per bushel.

The proponents of the committee bill have contended that it favors the small farmer, and criticize the Belcher substitute as being against the small farmer. There is absolutely nothing to this argument. There is nothing that substantiates that a farmer, one who plants 15 acres or less, is a small farmer. A farmer who is producing wheat under the 15-acre exemption may have extensive acreage devoted to other production, may be raising other price-supported crops on which he receives large payments, and may be a very well-to-do farmer. As a matter of fact, they often are. The small farmer who is really being hurt by this 15-acre exemption is the small farmer in the historic wheat-producing areas. They have had imposed upon them a 40-percent reduction in the amount of wheat which they can grow on the land from which they have for many years made a livelihood by the production of wheat. More often than not, they cannot diversify to produce other crops. They are the small farmers that have been hurt, and if the committee bill is adopted they will be put out of business.

As long as there is an unrealistic price acting as an umbrella and distorting the



market, there is no determining where the surplus wheat is produced. The only way of determining the source of the surplus would be to know the production that would be eliminated if the regular forces of cost of production and price were in operation. Wheat should be grown in the area where the economics of production are best.

The committee report correctly states that wheat is the No. 1 problem. So far as I know, it is uniformly agreed that to really get to this problem, there must be some price adjustment. The chairman of the subcommittee, the gentleman from Oklahoma [Mr. ALBERT], in speaking before the Rules Committee, stated, "In the long run, the price must come down." Yet this bill which the majority of the committee proposes moves in exactly the opposite direction. Prices are increased, with the incentive to further increase production.

I think the best feature about either the committee bill or the substitute is that provision which does give the farmer a choice by referendum. Heretofore, he has had a choice only of high price supports and controls, or low price supports and controls. This, of course, is no choice at all. I prefer the Belcher substitute, because it gives him a realistic choice on a permanent basis. It does not mislead the farmer by dangling 90-percent supports and cash payments before him, which at best would only be temporary as the expense to the other taxpayers was made known. It does not offer incentive for further overproduction and shifts of production. The wheat farmer would be permitted to vote on whether he wanted price supports at the present rate with tighter controls, or support at 50 percent of parity with no controls. I personally think that the 50 percent is lower than need be. It would provide a support at about \$1.20. It is generally agreed that \$1.30 would be a sufficiently low price to bring about necessary adjustments in production. As a matter of fact, it is not believed by those best qualified to judge that premium wheats would ever reach that low a price. I would prefer to see the alternative be 55 percent of parity for the next 3 years, and thereafter, 90 percent of the 3-year average market price. This would give to the farmer a realistic support price, which would be a floor rather than a ceiling. It would provide for orderly marketing conditions and protect him from unjustified drops in the market, particularly in years of unusually high production due to weather or other factors.

I believe that given a realistic choice by referendum the wheat farmers themselves will most likely choose the lower supports and no controls. All polls recently taken of farmers would bear this out. A recent poll taken by the Farm Journal in April 1959 showed that of the wheat farmers themselves throughout the United States, 61 percent favored either no supports and no controls or emergency supports, such as 50 percent of parity, and no controls. When the Committee rises, I will ask to have in-

cluded at the end of my remarks the tabulation at the end of this poll.

I think that the wheat farmers are entitled to a realistic choice by referendum. I hope that the Belcher substitute is adopted so that this opportunity may be afforded to them.

[From the Farm Journal, April 1959]

THE FARM PLAN YOU VOTED FOR—FROM EVERY CORNER OF THE COUNTRY THE BALLOTS CAME, SHOWING, STATE BY STATE, WHAT READERS WANT—COMPARE YOUR OWN CHOICE WITH OTHER KINDS OF FARMERS

(By Claude W. Gifford, economics editor)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So the article asked, Which of five general directions do you think future Government price-support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first 3 choices—each of which calls for less support and more freedom than past or present support programs. By all odds, the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one Midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These "percentages" proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a "pretty good" barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no "run on the ballot box" from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region

(1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the "no support" choice, and 1 percent fewer in favor of "high supports."

As a further check, a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of 10 (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska—one by a haygrower and one by a potato-grower—both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

#### HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports: No controls, no floors, free market prices, get the Government clear out—55 percent.

Emergency supports: To prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price; no controls—15 percent.

Adjustment supports: Such as 90 percent of the average 3-year market price; permits gradual adjustment to normal markets; moderate production control when necessary to ease adjustments—8 percent.

High price supports: 90 to 100 percent of parity; cross-compliance and tight production controls to restrict output to available markets; bushel-and-pound allotments to limit what you could sell—14 percent.

Production payments: Let markets fall, then pay farmers in cash to make up the difference between the market price and the support level; extend supports to perishables, such as beef, pork, eggs, and fruit; strict bushel-and-pound controls to hold down costs of the program—8 percent.

	No supports	Emergency	Adjustment	High supports	Production payments
	Per cent	Per cent	Per cent	Per cent	Per cent
Connecticut.....	50	25	5	0	20
Delaware.....	91	5	0	4	0
Maine.....	71	9	5	4	11
Maryland.....	70	19	8	2	1
Massachusetts.....	77	18	5	0	0
New Hampshire.....	62	33	5	0	0
New Jersey.....	84	7	1	3	5
New York.....	78	12	5	2	3
Pennsylvania.....	80	13	3	2	2
Rhode Island.....	57	43	0	0	0
Vermont.....	72	28	0	0	0
West Virginia.....	75	17	6	0	2
Eastern States.....	77	14	4	2	3
Illinois.....	44	20	7	20	9
Indiana.....	57	13	8	12	10
Iowa.....	24	17	13	33	13
Kansas.....	46	20	10	19	5
Michigan.....	66	14	8	5	7
Minnesota.....	30	15	13	25	17
Missouri.....	52	15	7	15	11
Nebraska.....	38	15	13	25	9
North Dakota.....	34	14	11	31	10
Ohio.....	71	12	4	8	5
South Dakota.....	39	16	9	26	10
Wisconsin.....	45	12	13	14	16
Central States.....	47	16	9	18	10



	No supports	Emergency	Adjustment	High supports	Production payments		No supports	Emergency	Adjustment	High supports	Production payments
	Per cent	Per cent	Per cent	Per cent	Per cent		Per cent	Per cent	Per cent	Per cent	Per cent
Alabama.....	61	15	9	8	7	Arizona.....	48	21	24	4	3
Arkansas.....	56	18	9	9	8	California.....	73	13	6	3	5
Florida.....	79	9	2	8	2	Colorado.....	58	11	5	18	8
Georgia.....	62	3	16	11	8	Idaho.....	51	15	9	16	9
Kentucky.....	51	6	22	16	5	Montana.....	55	17	5	18	5
Louisiana.....	51	17	20	5	7	Nevada.....	90	5	5	0	0
Mississippi.....	57	14	14	12	3	New Mexico.....	55	21	13	6	5
North Carolina.....	61	4	6	23	6	Oregon.....	63	12	7	6	12
Oklahoma.....	53	22	5	14	6	Utah.....	71	9	9	6	5
South Carolina.....	71	17	7	5	0	Washington.....	70	15	6	6	3
Tennessee.....	65	8	7	11	9	Wyoming.....	53	18	8	18	3
Texas.....	54	12	10	13	11	Western States.....	63	14	7	10	6
Virginia.....	72	15	2	10	1						
Southern States.....	59	13	9	12	7						

## What different commodity groups want

## CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Central	United States	Central
Beef.....	69	59	14	15	6	8	7	11	4	7
Dairy.....	59	50	14	13	8	9	9	13	10	15
Feed grains.....	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables.....	69	63	12	15	6	8	5	8	8	6
General.....	66	55	12	12	7	10	9	16	6	7
Hogs.....	44	40	19	19	11	12	14	16	12	13
Poultry.....	77	73	14	14	1	2	3	5	5	6
Sheep.....	64	42	14	29	6	3	6	13	10	13
Wheat.....	43	41	18	16	9	11	24	25	6	7

## EAST

Kind of farmers	United States	East	United States	East	United States	East	United States	East	United States	East
Beef.....	69	76	14	22	6	2	7	0	4	0
Dairy.....	59	68	14	19	8	7	9	2	10	4
Feed grains.....	50	87	14	6	7	2	20	4	9	1
Fruit and vegetables.....	69	80	12	8	6	5	5	2	8	5
General.....	66	86	12	12	7	2	9	0	6	0
Hogs.....	44	88	19	6	11	0	14	0	12	6
Poultry.....	77	80	14	14	1	1	3	3	5	2
Sheep.....	64	81	14	8	6	4	6	0	10	7
Wheat.....	43	78	18	17	9	5	24	0	6	0

## WEST

Kind of farmers	United States	West	United States	West	United States	West	United States	West	United States	West
Beef.....	69	77	14	11	6	5	7	3	4	4
Cotton.....	41	33	17	33	16	21	15	9	11	4
Dairy.....	59	62	14	15	8	7	9	7	10	9
Feed grains.....	50	68	14	12	7	3	20	11	9	6
Fruit and vegetables.....	69	65	12	14	6	5	5	6	8	9
General.....	66	68	12	12	7	8	9	7	6	5
Poultry.....	77	76	14	12	1	3	3	0	5	9
Sheep.....	64	70	14	10	6	8	6	5	10	7
Wheat.....	43	44	18	20	9	8	24	23	6	5

## SOUTH

Kind of farmers	United States	South	United States	South	United States	South	United States	South	United States	South
Beef.....	69	78	14	13	6	5	7	2	4	2
Cotton.....	41	43	17	13	16	15	15	15	11	14
Dairy.....	59	72	14	14	8	3	9	8	10	3
Feed grains.....	50	68	14	11	7	5	20	10	9	6
General.....	66	64	12	8	7	9	9	6	6	13
Peanuts and rice.....	42	39	21	18	21	23	12	16	4	4
Poultry.....	77	74	14	17	1	2	3	2	5	5
Tobacco.....	60	51	2	2	16	19	21	26	1	2
Wheat.....	43	49	18	22	9	4	24	21	6	4

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Missouri, to the amendment offered by Mr. BELCHER: Strike out all the first paragraph in section 106 beginning with the words "Notwithstanding the provisions of \* \* \*" and insert in lieu thereof the following: "Notwithstanding the provisions of section 101 of this act, if marketing quotas are disapproved for the 1960 crop of wheat, no price support shall be available for the 1960 crop and each subsequent crop of wheat."

Mr. BROWN of Missouri. Mr. Chairman, I am opposed to the Belcher amendment, but in case it might be adopted, I propose this amendment: We are asking the wheat farmers of America to face up to the fact that they are producing too much wheat. We are asking them to cut their acreage 25 percent. I am asking the Congress to face up to a reality, also. If you are going to have a price support program you have to have production discipline. What kind of silliness is this business of providing price support, whether it is 50 percent of parity, or whatever it is, to noncooperators? Actually both of these bills, the committee bill and the Belcher amendment, offer price supports to noncooperators. Now, you cannot have a program like that. There has to be production discipline if you are going to support prices, even at 50 percent of parity. With unlimited production, Government acquires more surplus. It costs just as much to store a bushel of wheat that the Government purchases at \$1.18 as it does one that Government purchases at \$2.12. The storage cost is the same.

Surely, the Benson corn fiasco has taught us a lesson.

Let us give farmers a chance to vote on the clear-cut choice of whether they want production discipline and price support or unlimited production and no price support. You cannot have one without the other. If they vote for production controls, they will get price supports, and if they do not vote for production controls, they do not get any price support. And on that clear-cut basis, let us see what the farmers want.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to inquire of the gentleman why he is proposing his amendment as an amendment to the Belcher amendment.

Mr. BROWN of Missouri. Because the provision is in both the Belcher amendment and the committee bill. I hope to propose it to the committee bill, too.

Mr. COOLEY. It still would be germane to offer it at a later date after the Belcher amendment is defeated. You are just attaching yourself to a very unpopular amendment.



Mr. BROWN of Missouri. I am not. I just want to make sure it is in the Belcher amendment if it happens to be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in support of the Belcher amendment.

Any of you gentlemen who think you are going to put the little farmer, the fellow who will have less than 15 acres of wheat, out of business so that he cannot raise wheat any more, are plain mistaken. Practically everyone who is raising wheat has some kind of allotment. And, if we are going to have a control mechanism for handling the wheat situation, we have to close this loophole which has caused over 100,000 new farmers to go into the production of wheat each year.

As I pointed out earlier, there are three reasons why the wheat program has failed, and this is one of them, that we exempt people who raise up to 15 acres. According to the bill, it will be up to 12 acres, which could be higher than their allotment. If we continue that, this program is doomed to fail, as it is failing now. One other reason is that farmers do plant more than they are allotted. Then they plow up their poorest acres and come within a harvested allotment. Now, an amendment, I understand, will be offered which will change the Belcher amendment so that the penalty will be on planted acres rather than harvested acres. And, if you think that this bill does not do anything to the big farmer out in the West, this amendment will. There are many big wheat farmers out West who plant much more than their allotment, then they plow it under and get rid of their poorest acres. This is another one of the big reasons why we have this big wheat surplus, and that amendment will remedy it.

Mr. Chairman, I think this is an important amendment, because it would actually get at the three reasons why this legislation has failed in the past, and it would not do what the committee bill might tend to do, price the wheat out of the market, as we have seen happen in other crops, where they have to come in and ask for a reduction in price supports. I plan to offer an amendment so that when the farmers voted in the referendum it would specify not less than 50 percent, because that is too low for the farmer to receive even if he should plant all he wanted.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Chairman, I would just like to point out that one of the principal objectives of this legislation at this time is to reduce production. That has got to be a principal objective. Let us take a look at these 15-acre exemptions. The vast majority of these

15-acre farmers are feeding the wheat they raise. You can cut all of them out, and you are not going to cut off 14 million acres of wheat that is sold in the market. The only way you are going to reduce the wheat produced and sold on these 14 million acres of wheat presently in production is to reduce the production of those that have the big acreages. You have to reduce that production from big wheat farms in order to reduce the production of wheat that would be sold in the normal course. The 55 million acres minimum and equitable price supports provided should have been reduced some time ago, and we cannot alleviate the situation by leaving the 55 million acres in production and at the same time reducing price support. I urge you to oppose the Belcher amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, we have heard a lot today as we have heard for the past several years about the attempt on the part of the Secretary of Agriculture to get freedom for our American farmers. I have done a little bit of investigating in the last few weeks since the opening of the St. Lawrence Seaway. I checked with the Canadian Embassy and I have a statement from the Canadian Embassy that the Canadian Wheat Board—and if anybody is familiar with the Canadian Wheat Board, he is familiar with the fact that there is not freedom for the Canadian farmer to market beyond his quota. And there is not freedom on price. It is about \$1.25 per bushel. There is not freedom for production nor for price in Canada. But the Canadian Wheat Board is turning back the saving derived from shipping by the St. Lawrence Seaway to the producer.

What kind of an effort is being made by our Department of Agriculture to get the amount that is saved from using the St. Lawrence Seaway back to our producers? According to the reply to my inquiries at the Department there is no program to make any return to our grain producers.

How much money is the freedom that our Secretary of Agriculture is giving to our farmers putting in his pocket? I think the real, substantial part of any program, by what we vote or do, either in the Department or in our committees, should be geared to trying to hold up the income of our farmers at the same time limiting production. That is not guaranteed by the Belcher amendment, but it is substantially guaranteed in the committee bill. I should like to be on record as being against the Belcher amendment, and as being in support of the committee bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I cannot say that I am terribly enthusiastic about either the committee bill or the Belcher version as far as really meeting and solving this wheat problem is concerned, principally for two reasons. In the first place, both of them, I think, overlook the fact that acreage controls

by themselves have been found to be insufficient to control wheat production, thanks to the genius of the American farmer in being able to increase his yield per acre for reasons known to all of us. Until we get a system at least of combined acreage allotments and bushelage allotments on this wheat production, I do not think acreage controls of and by themselves are going to offer any answer at all to our wheat problem.

Secondly, the reason I am not too enthusiastic about either one of these versions is because I think they overlook the fact that as long as we have different types of wheat in this country, as long as certain types of wheat contribute the vast majority of the wheat that is going into Government storage at the present time, as long as we have different production costs for growing wheat in various parts of the country, I think it only makes good sense to try to work out some system that will provide varying levels of price support, depending upon which type of wheat one is going to produce and which types of wheat are moved into commercial channels, and which types of wheat go into Government storage.

When we consider that we have Soft Red Winter wheat, and White wheat that together is estimated only to represent 54 million bushels of carryover beginning on July 1, 1958, out of a total of 1,283 million bushels carryover of which by far the largest part is Hard Red Winter wheat and Hard Red Spring wheat, and when we compare production costs for the soft wheats and the hard wheats, I think it only makes good sense to try to work out something to provide varying levels of price supports depending upon these individual factors.

I am disappointed that members of the committee on either side of the aisle have not taken these two factors into consideration, factors which, I believe, would really be helpful in controlling our wheat production.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS].

[Mr. BASS of Tennessee addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I have an amendment that I wanted to offer to the substitute to the Belcher amendment.

The CHAIRMAN. The gentleman may speak on his amendment, but no amendments may be offered at this time.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry. Would it be possible to dispose of some of these amendments at this time?

The CHAIRMAN. It would be if there were no objection. The time for debate on the pending amendments has been limited.

Mr. PELLY. Mr. Chairman, I am sorry the parliamentary situation is such that I cannot enter an amendment to H.R. 7246, similar to the amendment I offered to the tobacco price support bill. It would have prohibited employees of the Department of Agriculture or the



legislative branch of Government, including Members of Congress, from benefiting under the wheat support program. In this case, however, I added a clarifying sentence to exempt any members of local agricultural committees from the provisions of this section. This was because objection was raised in connection with the tobacco bill to its possibly covering members of ASC committees who are elected by the farmers of the various communities, people who themselves are in fact farmers.

The purpose of my amendment was to establish a standard of ethics similar to the principle contained in rule VIII of the House Rules which calls for abstention in voting on measures in which a Member has a direct pecuniary interest. I have long advocated and indeed introduced legislation to set up a code of ethics for Federal employees and those in public service.

In the last session of Congress, there was much talk about the need for laws to clearly set forth such a set of standards and to eliminate conflicts of interest. However, that talk has all died down and it appears that no such legislation or ethics bill will ever reach the floor of this House.

Accordingly, my amendment would allow members to vote on a measure of this character piecemeal by the introduction of amendments to various bills to prohibit benefiting from programs by those who originate and administer the laws.

Mr. Chairman, a recent newspaper survey stated that 35 Members of Congress have shared in farm subsidies. I am not pointing the finger at any of these Members and wish to say that under existing conditions these individuals are exercising the same privilege as any other citizens and there is certainly nothing wrong about that. However, as previously mentioned, I feel that in the field of ethics one is expected to avoid any possible basis of criticism even though one has to make a personal sacrifice in order to enter public service.

It would be preferable to have a code of ethics covering conflicts of interest and ethics generally. I would like to see strong penalties written into that law. Meanwhile, since we cannot seem to get this in one piece, I am trying to accomplish the job piecemeal.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, I think it is time we got down to the meat of this program and separated the wheat from the chaff. First of all, we are talking in the Belcher amendment about a group of farmers that the gentleman wants to take all the cut, the little 15-acre farmer. Just bear in mind, first of all, that they are all east of the Mississippi River. I sat on this committee for some 5 years. It was with great reluctance that I agreed that these 15-acre farmers should take any cut whatsoever

because wheat fits into the rotation of their crops. They might grow corn one year and then grow wheat the next year and seed it to small grain next year and so forth. However, I realize if we are going to get at the real source of this wheat program and get the supply in line with demand, it is necessary that we take some cuts. In this committee bill, we are taking a cut from 55 million acres down to 41 million acres. All of us are taking a cut of 25 percent, but let me tell you what would happen under the Belcher amendment. Every single reduction comes from the little 15-acre farmer and not one reduction comes from the big farmer because the 55 million acre minimum stays in effect. Of course, he says if they overplant, they are going to take some little reduction. Furthermore, these little 15-acre farmers that I am talking about, in the State of Virginia we have 44,987 of these little wheat farmers out of a total of 48,892 wheat farmers, or 92 percent who would be affected by this amendment and they all grow the Red Winter bread type wheat which is not in surplus.

I am opposed to the Belcher amendment and ask for its defeat in the interest of our small wheat farmers which I am privileged to represent.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

[Mr. HOFFMAN of Michigan addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. HALLECK. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. LATTA. I yield.

Mr. HALLECK. Mr. Chairman, the chairman of the Committee on Agriculture said this wheat situation is the most critical problem involved in the whole farm program. I agree with that. I would like to say at this point that it is an expensive program that has continued to pile up surplus after surplus under rules that might have been changed had this Congress so desired, a Congress, may I say, that has been Democratic for the last 4 or 5 years.

I would just like to make this brief observation: The committee bill, in my considered judgment, will not solve either the problem of surpluses or the continuing increased cost to the taxpayers of the country.

The Belcher substitute will do something in that direction and do it fairly and equitably, effectively and well. So, as far as I am concerned, I am going to support the Belcher substitute, and I would just like to say to my friends on the other side of the aisle: If you do not support it and vote through the committee bill—and, of course, you have the votes to do it—you will have a program that is going to continue to pile up sur-

pluses and cost untold sums of money, and you will have to take the responsibility for it.

I thank the gentleman from Ohio.

Mr. LATTA. I may say that at the proper time I expect to offer an amendment which will reinsert the 15-acre provision which the gentleman on my left talked about.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I wish to make just this brief observation. I can understand the feeling of my colleagues who come from historical non-wheat-producing States with regard to this 15-acre proposal, and I hope those people can understand our feelings on this matter. If we had the climate and other conditions that were necessary, if we could get into the production of tobacco, and other things that historically belong to the Southern States, it would affect your markets and your economy and we would be taking away from you something that historically belongs to you.

So it is with regard to the wheat-producing area in the Middle West.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, in view of the parliamentary situation I am precluded from offering my amendment at this time, but I shall offer it at the proper time, but I take this opportunity to explain exactly what it will do.

It is the same amendment I offered to the tobacco bill yesterday except that the word "wheat" is substituted for the word "tobacco."

I do this because I am confident that the Belcher substitute will prevail. If the amendment is not made to the substitute and the substitute does prevail we will be without any limitation on this amount whatsoever.

Now, if I may, I will take a moment to address myself to the reference made relative to how we are discriminating against the poor little wheat farmers who grow less than 15 acres.

The Belcher substitute addresses itself to this discrepancy in the whole program through the years, and that applies in my own district where people have been growing 15 acres of wheat who did not have any business growing wheat in a corn and soybean area. They never grew it in years past, but now with the 15-acre exemption they do.

When I was a kid and rode a plow behind a set of mules I never saw an acre of wheat; now everybody is growing 15 acres.

When I go out to Kansas I expect to see great wheat farms. When I go down to Mississippi I expect to see great cotton and peanut plantations, and that is as it should be. I do not expect to see corn, yet a Member of the other body



offered an amendment to an appropriation bill for \$100,000 to start a corn research laboratory down in Mississippi. Now I suppose you want to grow corn in addition to your cotton and your peanuts.

That is what is wrong with the whole program throughout the length and breadth of the country. The wrongs can only be righted by action taken here in the Congress.

The debate here today is vivid evidence that the wheat problem is one of the most serious situations facing the Congress. The magnitude of the wheat problem emphasizes the need for us to act courageously and decisively after a careful study of all the facts.

The wheat problem stands at the door of Congress like an unwelcome bill collector. Congress is being presented with a multimillion dollar bill which no one wants to accept. There has been considerable discussion here as to who is responsible for the tremendous bill.

Now certainly there is some value in determining what and who is responsible for the outmoded obsolete wheat programs that have brought us to our present difficulties. But the important thing here today is for this Congress to pass reasonable, realistic, and beneficial wheat legislation so that the unwanted bill collector does not keep coming back to our collective congressional door year after year after year.

There are apparently some persons in this Chamber who wish to ignore the experience of history and also erroneously believe our unwanted annual visitor—the wheat problem—will go away if we but ignore it.

Nothing could be further from the truth. The fact is, that unless Congress acts wisely with sound wheat legislation our unwanted bill collector will return with regularity. The only difference will be that the bill presented will grow larger and more difficult to pay.

I wish to vigorously oppose H.R. 7246, the Cooley bill, because if enacted into law it would help neither farmers nor consumers.

By increasing price supports on wheat and reducing acreage, it will encourage increased production on the remaining acres and decrease consumption. The effect is obvious. It will further build up the wheat carryover and increase Government costs.

This bill would perpetuate most of the mistakes so evident in existing wheat programs. It would be a repetition of programs that experience has proven to be ineffective.

It would be somewhat analogous to a football coach ordering his quarterback to keep repeating a particular play even though every time they tried it the team lost yardage. After several setbacks the coach and the quarterback both would know enough to try another play.

With existing wheat legislation we are suffering setback after setback. Congress has a responsibility to set the general policies and give the Department of Agriculture a workable realistic program. One of the favorite indoor sports in Washington now days is the attempt by

some Members of Congress to blame a dedicated and capable Secretary of Agriculture, Ezra Taft Benson for farm problems.

I would remind my colleagues that Congress, like a good football coach, has the responsibility to establish basic policies for the Department of Agriculture team to follow. Secretary Benson is doing an outstanding job of quarterbacking the team, but he cannot be expected to make headway unless Congress gives him an opportunity to try some other plans than the ones that have consistently provided setbacks in recent years.

Secretary Benson and the administration are striving to change the obsolete wheat laws. In essence, Congress is being asked to provide a new set of plays so we can make some headway against the very formidable opponent of mounting wheat surpluses.

There is no need for me to repeat some of the statistics that have been repeated today by the leadership by both sides of the aisle. Let me only say that the carryover as of July 1, 1959, will be about 1½ billion bushels—equal to nearly two years domestic requirements. This tremendous surpluses of wheat now bursting Government financed storage bins is costing taxpayers the incredible sum of nearly a million dollars a day in storage and interest just to store it.

We must not continue the folly of the old wheat program. We must instill commonsense into wheat legislation for the benefit of both farmers and consumers.

The President and the administration have recommended a reasonable, realistic, and beneficial wheat program that should be passed immediately.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. HAGEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAGEN. I have had an amendment at the Clerk's desk for some time. When may it be offered?

The CHAIRMAN. It cannot be offered until the pending amendment is disposed of. The gentleman may proceed.

Mr. HAGEN. Mr. Chairman, I want to say to you people from the urban areas who feel a little uncertain and confused about this whole issue, that I do not blame you. We studied this bill in our committee for months and months, and heard and reheard witnesses, and then the bill went in and out of the committee three times, like a yo-yo, before finally being argued before the Rules Committee.

Examine the Federal budget and you do not have to turn very far to find any expenditure that is of urban orientation, but you do not have to look very far to find something that is of rural orientation. I would like to comment further on the subject of consistency. I have learned on the Committee on Agriculture

that consistency is not a virtue. We have the same Members up here today advocating giving everybody 15 acres of wheat who yesterday opposed giving everybody 2 acres of tobacco.

The Belcher amendment, as I have indicated before, will provide some permanent improvement in the wheat program. The committee bill does nothing permanent, it does nothing even temporarily, to greatly reduce this surplus. It increases the price tag on wheat from \$1.81 per bushel to \$2.13 per bushel, and it is going to cost the taxpayers a great deal more money than the current situation.

At the proper time I will offer an amendment to the Belcher bill which I feel will make it accomplish much more in the way of reduction of production than it does currently, and I hope it will be accepted. I understand the author of the Belcher amendment will accept it.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I may say to the gentleman from California [Mr. HAGEN] regarding his amendment relating to the basis of planted acres rather than harvested acres, that I for one will accept such an amendment.

Mr. Chairman, in my general remarks on the bill on yesterday I laid down two criteria if we are to have effective legislation. The first is that legislation must actually bring about a reduction in the surplus of wheat and, secondly, it must be shown that any new proposal must cost less money than the present program.

The Belcher substitute will reduce production. It will reduce production from 150 million to 175 million bushels a year.

Now as to cost, and you are all interested in cost, may I present the following tables:

*Estimated cost to CCC under Belcher amendment assuming marketing quotas are approved*

I. PRICE SUPPORT ACTIVITIES	
Allotted acres.....	55,000,000
Estimated harvested acres (allowing for normal abandonment and underplanting of allotment and conservation reserve).....	48,500,000
Estimated yield, 22.5 bushels per acre.....	
Estimated production (bushels).....	1,090,000,000
Estimated utilization (500,000,000 bushels of food, 120,000,000 bushels of feed and seed, 450,000,000 bushels of exports), total bushels.....	1,070,000,000
Estimated net increase in CCC stocks (bushels).....	20,000,000
Estimated cost to CCC in increased inventory at \$2 per bushel.....	\$40,000,000
Increased cost to CCC from other grains acquired.....	140,000,000
Export subsidy on wheat (450,000,000 bushels, at 50 cents).....	225,000,000
Total.....	405,000,000

II. PRESENT PROGRAM	
CCC acquisition costs (130,000,000 bushels, at \$2).....	\$260,000,000
Export subsidy (450,000,000 bushels, at 50 cents).....	225,000,000
Total.....	485,000,000
Savings in cash outlay to CCC.....	80,000,000



*Estimated savings in cash outlay by CCC under Belcher amendment assuming marketing quotas are voted out*

Price support operations:	
Estimated acres seeded.....	79,000,000
Estimated acres harvested (11 percent abandonment).....	70,000,000
Estimated harvested yield (bushels per acre).....	21
Estimated production (bushels).....	1,470,000,000
Estimated disappearance (bushels).....	1,230,000,000
Estimated net increase in CCC inventory (bushels).....	240,000,000
Estimated acquisition cost, at \$1.40 per bushel (includes price support at \$1.18 plus normal costs of handling incident to acquisition).....	\$335,000,000
Savings from less CCC acquisition of other grains.....	200,000,000
Net cost to CCC of additional wheat.....	135,000,000
Present wheat program:	
CCC acquisition costs (130,000,000 bushels, at \$2).....	260,000,000
Export subsidy (450,000,000 bushels, at 50 cents).....	225,000,000
Total.....	485,000,000
Savings in cash outlay by CCC.....	350,000,000

If marketing quotas are approved under the Belcher amendment, there will be a saving of \$80 million. If marketing quotas are voted out, there will be a saving of \$350 million. That "ain't" hay.

Mr. Chairman, the Belcher substitute should be adopted. It has the approval of the Department of Agriculture, the American Farm Bureau, and all those who want sound wheat legislation. It is our best hope if you really want wheat legislation enacted into law at this session of the Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. BELCHER].

[Mr. BELCHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. BOLAND (at the request of Mr. McCORMACK) was given permission to extend his remarks at this point in the RECORD.)

Mr. BOLAND. Mr. Chairman, I rise in opposition to H.R. 7264, the wheat program for 1960 and 1961, and substitute proposals.

The farm program has become a national disgrace. I think that we ought to kill this multibillion dollar wheat scheme entirely. It appears that this is the only way in which the American taxpayer can bring the farming industry to realize that the American public is fed up with a continuance of this scandalous program.

The United States now has more than a 2-year supply of wheat on hand in storage bins. It has cost the Government over \$3 billion of the taxpayers money to purchase the grain and for storage. Despite this oversupply, we are asked today to approve alternate programs which will not reduce the wheat supply nor cut the cost to the taxpayers.

Wheat is being produced today for as little as 60 cents a bushel and Uncle Sam is being asked to pay the farmer \$1.90 a bushel for his surplus. This is an unrealistic program which is making the prosperous farm proprietors richer and bigger.

Mr. Chairman, we will never come to grips with this problem until we kill the

present program with its unconscionable incentives that add fuel and fan the flames of the farm conflagration that continues to grow and spread. There must be, there has to be, a better way to tackle the problem. We just cannot go on compounding this problem as the legislative proposals before us would do.

There is so much wheat now stacked up in Government warehouses that we could kill this program today and not grow another bushel, and we will still have enough wheat to take care of our American and foreign needs.

Mr. Chairman, I have said this before and I repeat it now. The consumers of my district have a real stake in seeing that the abuses in this program are corrected on a reasonable basis, instead of permitting a perpetuation of the current scandal.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have listened attentively to the debate, which has been on a very high plane. One thing is certain: Everybody recognizes that something has got to be done. Everybody recognizes that in the national interest and the best interest of our country some legislation must pass in order to assure the wheat-producing areas of our agricultural community an opportunity to live and to survive.

Now, under the committee bill there is going to be a reduction of 25 percent or about 14 million acres of wheat, which is a matter of vital importance. Under the Belcher amendment there is no assurance of any such reduction, because the result of the Belcher amendment will be to assure high production.

Under the committee bill the small farmer is protected, and under the Belcher amendment he is not protected. The Belcher amendment, as usual, coming from the Republican side, protects the big fellow. The committee bill, coming from the Democratic side, is in the interest of the small fellow as well as not being discriminatory against the big producer.

Now, my friend, the gentleman from Oklahoma [Mr. BELCHER], referred to the gentleman from Oklahoma [Mr. ALBERT]. There is no more dedicated Member of the Congress than the gentleman from Oklahoma [Mr. ALBERT]. He sits here as a Democrat, but he is a great American. He is the chairman of this subcommittee, and for 6 months under his chairmanship this subcommittee has devoted itself assiduously to this most important and responsible task. You heard his speech earlier today. Did you ever hear a more sincere and dedicated legislator speaking than my friend the gentleman from Oklahoma [Mr. ALBERT]; a man thinking in the interest of the farmer in a fair way and thinking of the interest of the country? With all due respect to my friend the gentleman from Oklahoma [Mr. BELCHER], if I had to select between him and the gentleman from Oklahoma [Mr. ALBERT], I am willing to follow CARL ALBERT's leadership.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] to close debate.

Mr. COOLEY. Mr. Chairman, I would like to conclude debate on the Belcher amendment by pointing out to the House, particularly to those gentleman on the other side of the aisle, that the Belcher amendment repudiates, in fact, one of the great recommendations made by the President of the United States. In his message on January 29, the President said this in making his recommendations: Eliminate the 55-million-acre minimum to allow adjusting acreage to the amount of wheat that can be sold for dollars under the price support that prevails. Now, that has been completely ignored by the gentleman from Oklahoma [Mr. BELCHER]. And, he admits on the floor of the House that all we will have accomplished by his amendment is to eliminate the small wheat producer whose acreage is under 15 acres. In other words, the Belcher amendment proposes to plow under for ever and ever all of the little wheat producers of America.

Now, some years ago we had a lot to say about plowing under crops and about plowing under little pigs, but as the Department of Agriculture now is operating, we are plowing the farmers under at the rate of about 1 million a year. Now, in addition to the 4 million that have been plowed under since 1953, the proposal is that we plow under all other little wheatgrowers.

I want it clearly understood that if the Belcher amendment prevails, the wheat problem will be aggravated and the more than \$3 billion we now have invested in wheat will be substantially increased in the next year, and finally the wheat program will break down the whole farm program, which I think is vital to the welfare and the happiness of all of our people.

So, I hope, Mr. Chairman, that the Belcher amendment and all amendments thereto will be defeated and then we will move on to the consideration of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. BROWN] to the Belcher amendment.

The question was taken; and on a division (demanded by Mr. BROWN of Missouri) there were—ayes 35, noes 92.

So the amendment to the amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE to the amendment offered by Mr. BELCHER: On page 1, line 9, strike out "50" and insert in lieu thereof the words "not less than 50."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. HAGEN. Mr. Chairman, I offer an amendment to the Belcher amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN to the amendment offered by Mr. BELCHER: On page 7 add the following new section:



"SEC. 7. Subsection (c) of section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with respect to the 1960 and subsequent crops of wheat by adding at the end thereof the following: 'The provisions of this subsection (c) shall not apply to the acreage planted to wheat if such acreage exceeds the applicable farm wheat acreage allotment by more than 3 percent or 3 acres, whichever is greater. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, except—

"(1) Any acreage of self-seeded (volunteer) wheat that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary;

"(2) Any acreage of wheat which is planted for cover crop in counties designated by the Secretary as counties where wheat is normally used as cover crop and which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary; and acreage devoted solely to wheat for pasturage in accordance with regulations prescribed by the Secretary; and

"(3) Any acreage of wheat planted with other grain which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary or with respect to which the producer establishes to the satisfaction of the Secretary in accordance with regulations prescribed by the Secretary that the quantity of wheat planted in the mixture did not exceed 25 percent of the seeded mixture by weight and the actual production of the acreage planted to the mixture did not contain more than 25 percent of wheat by weight."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division demanded by Mr. HALLECK) there were—ayes 97, noes 132.

So the amendment was rejected.

Mr. MICHEL. Mr. Chairman, I offer an amendment to the Belcher amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL, to the amendment offered by Mr. BELCHER: Page 2, line 5, after the word "therefor" strike out the period, insert a colon, and add the following: "Provided further, That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans or purchases made or made available by Commodity Credit Corporation to any person on the 1960 production of wheat. For the purposes of this proviso, the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof. In the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to persons through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation. Such limitation shall not apply to price support on wheat extended by purchase of wheat from, or by loans on wheat to, persons other than the producers of wheat if the Secretary of Agriculture determines that it is impracticable to apply such limitation. The Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

(By unanimous consent, Mr. MICHEL was granted permission to extend his remarks at this point.)

[Mr. MICHEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL] to the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The question was taken; and on a division (demanded by Mr. MICHEL), there were—ayes 99, noes 136.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Oklahoma [Mr. MORRIS] to the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

Mr. COOLEY. Mr. Chairman, in the interest of time, I ask for tellers on this vote.

Tellers were ordered, and the Chairman appointed as tellers Mr. ALBERT and Mr. BELCHER.

The Committee divided; and the tellers reported that there were—ayes 114, noes 168.

So the substitute was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 3, line 14, strike out "equal" and insert "in addition to."

On page 3, line 18, strike out "thereon";

On page 3, line 19, after the word "harvested" insert: "on any acreage diverted from the production of wheat."

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I am sorry the Belcher amendment lost because it would have meant more money for the wheat farmers at less cost to the taxpayers. But if we are going to accept this committee bill there are a number of changes that ought to be made to actually do the job.

There are two directions we can go in any agricultural legislation: One is to vote high price supports with controls, and we really need controls to make it work as has been proven time and again. That is what has been done in tobacco in the past. The other way we can go is to allow the farmers to raise all they want to and only give them a very low price support.

One of the ways the farmers are going to be compensated for reducing their acreage by 25 percent is to give them 90 percent of parity for their crop. The other way of compensating them for cutting back 25 percent on acreage is to pay them in kind one-third of their normal production or their actual production for the last 3 years. I believe they are compensated in sufficient amount by guaranteeing them 90 percent of parity. I think the payment-in-

kind provision should be used for a further reduction in acreage. The 25 percent reduction will not be sufficient to cut back on the amount that is in surplus to the degree necessary. I do not believe it will cut back on the amount of surplus at all unless weather did it.

If we do allow for payment-in-kind, it should be used only to encourage further reduction below the 25 percent provided in this bill. This would be a good use of that payment-in-kind and would be an advantage to the price support program and would be an advantage to the taxpayers because it would cut down the cost to the Federal Government.

Mr. Chairman, this payment-in-kind provision could be used, so the farmer would further reduce his acres and he would be repaid one-third from the Federal surplus stocks. This would mean that the farmer would not be producing three-thirds of his normal production on specific acres, but he would be putting one-third of his production into the market from his payment-in-kind and it would actually cut back on the amount of wheat laying in surplus.

Mr. Chairman, in explanation of my amendment, it would require a producer to take a 25-percent reduction in wheat acres without any payment-in-kind. If the producers should voluntarily reduce their acres of wheat by more than the required amount, they would be eligible to receive payments-in-kind for the wheat acres they retired in addition to the required amount. In other words, each farmer would be required to take a 25-percent cut in wheat acres without compensation other than an increase in price supports by 15 percent, but he would be eligible for payments-in-kind for voluntary cuts in addition thereto.

Mr. Chairman, I urge the adoption of this amendment.

Mr. COOLEY. Mr. Chairman, the gentleman is a member of the House Committee on Agriculture, and he has attended the hearings, but he did not submit this proposal to the House Committee on Agriculture. I do not know what the purpose of the amendment is.

Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto, and on the bill, do now close.

The question was taken; and the Chair being in doubt, the committee divided and there were—ayes 145, noes 99.

So the motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Under the circumstances is not action of that kind coercion?

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.



Mr. QUIE. This means that there is no more chance of amending the bill?

The CHAIRMAN. Oh, no. That was, limiting debate on the gentleman's amendment.

Mr. COOLEY. And all amendments thereto.

The CHAIRMAN. The Chair advises the gentleman that additional amendments can be offered, but they will not be debatable.

Mr. QUIE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. In other words, this means that I can offer my amendments but cannot say a word about the amendments; is that right?

The CHAIRMAN. The amendments will be reported by the Clerk and be voted upon.

Mr. QUIE. Well, there seems to be no use doing that, because I will not have an opportunity to explain the amendments.

The CHAIRMAN. Does the gentleman have an amendment he desires to offer?

Mr. QUIE. Yes; I have a number of amendments, but I do not care to just offer them and not speak on them.

Mr. HAGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN: On page 11 add the following new section:

"SEC. 6. Subsection (c) of section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with respect to the 1960 and subsequent crops of wheat by adding at the end thereof the following:

"The provisions of this subsection (c) shall not apply to the acreage planted to wheat if such acreage exceeds the applicable farm wheat acreage allotment by more than 3 per centum or three acres, whichever is greater. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, except—

"(1) Any acreage of self-seeded (volunteer) wheat that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary;

"(2) Any acreage of wheat which is planted for cover crop in counties designated by the Secretary as counties where wheat is normally used as cover crop and which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary; and

"(3) Any acreage of wheat planted with other grain which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary or with respect to which the producer establishes to the satisfaction of the Secretary in accordance with regulations prescribed by the Secretary that the quantity of wheat planted in the mixture did not exceed 25 per centum of the seeded mixture by weight and the actual production of the acreage planted to the mixture did not contain more than 25 per centum of wheat by weight."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division (demanded by Mr. HAGEN) there were—ayes 105, noes 148.

So the amendment was rejected.

PROGRAM FOR THE BALANCE OF THE WEEK AND  
THE WEEK OF JUNE 15

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Is there anyway by which I can be recognized for the purpose of inquiring of the majority leader as to the program for tomorrow and possibly for Monday of next week?

The CHAIRMAN. The gentleman may make a unanimous-consent request to proceed for that purpose.

(Mr. HALLECK asked and was given permission to address the House.)

Mr. HALLECK. Mr. Chairman, I asked for this time, as I have already indicated, in order to inquire of the majority leader concerning the program for tomorrow and, although I realize it is a little early, give us some information as to what the situation will be on Monday next.

Mr. McCORMACK. I am very happy to. With the conclusion of this bill today, on tomorrow there will be the research bill in connection with coal. That will be all. In the event there is a rollcall on that, because a number of Members are going away to attend a meeting of the Shriners at the Great Lakes, which is taking place in Peoria, Ill., on Friday and Saturday, any rollcall will go over.

On Monday there are six suspensions.

H.R. 3608, a bill to authorize the Secretary of the Navy to acquire certain land in the island of Guam.

H.R. 7650, to modify the pension program for veterans of World War I, World War II, and the Korean conflict and their widows and children.

H.R. 7537, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954.

House Joint Resolution 280, extension of interstate compacts on oil and gas.

H.R. 4049, relating to airline pass privileges.

H.R. 7062, providing for payment of annuities to widows and dependent children of comptroller generals.

After that, I can announce definitely, there will come up the mutual assistance authorization bill.

Mr. HALLECK. Am I to understand that if there are votes on Monday they will be called on Monday?

Mr. McCORMACK. Any rollcall votes on Monday will be called.

Mr. HALLECK. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 2, line 10; page 3, line 14; page 4, line 21; page 9, line 10; strike out "25" and insert "30."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 3, line 9 after the word "acreage" insert the following: "Provided further, That the farm wheat acreage allotment shall be adjusted to zero and no crop produced for harvest on the farm in 1960 or 1961 shall be eligible for price support if any crop whatsoever is harvested or grazed on that percentage of reduction of the farm wheat acreage allotment designated by section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended."

Mr. JENNINGS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENNINGS. Would it be in order to ask that the gentleman's amendments be read and voted on en bloc?

The CHAIRMAN. The gentleman proposing the amendments would have to make that request himself.

The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 8, line 11, strike the words "amended to" and strike out lines 12 through 21 and insert in lieu thereof "repealed effective beginning with the 1960 crop of wheat."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 11, line 7, add the following new section:

"Sec. 6. The Secretary shall, after making such study as may be necessary, devise a program for the control of wheat production on the basis of restrictions on the quantity produced or marketed rather than on the basis of restrictions on acreage planted as in effect under part III of subtitle B of title III of the Agricultural Adjustment Act of 1938.

"The Secretary shall submit to the Senate and House of Representatives a report containing a detailed description of such program, a draft of the legislation necessary to put it into effect, and his recommendations with respect to the advisability of adopting such program. Such report shall be submitted as soon as practicable, but in no event later than January 1, 1960."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

(Mr. QUIE asked and was given permission to extend his remarks at this point.)

Mr. QUIE. Mr. Chairman, I am truly appalled by this gag rule being imposed on any further amendments to H.R. 7246. Wheat is the No. 1 agricultural problem facing our Nation. If we are to have a sound program which will be of lasting benefit, we should carefully debate and consider all amendments. Several members of this body beside myself have amendments of substance and importance which ought to be considered. Everybody knows that the mere reading of an amendment by the clerk is in no



way explanatory of the effect of such an amendment. I object most strenuously to the denial of the opportunity to even explain the effect of, and the reasons for, my amendments to this important bill. I will at a later date insert into the RECORD a full explanation of my various amendments, if the majority members who voted for this arbitrary abuse of free speech are interested.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: On page 8, line 16, strike out lines 16 through 21.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. LATTA addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: Amend section 106 by striking the period following the word "certificate" in line 8, page 4, and inserting the following: "Provided, however, That in such cases as the Secretary deems advisable to avoid administrative, transportation, and other costs, or to avoid loss from untimely marketing, or to provide a more balanced market in compliance with the objectives of this act, the Commodity Credit Corporation shall redeem such certificates in cash, in lieu of wheat, upon presentation by the producer, or by any holder in due course, in accordance with regulations prescribed by the Secretary."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The amendment was rejected.

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks at this point.)

Mr. SMITH of Iowa. Mr. Chairman, I offer this amendment in an attempt to make the payment-in-kind provision in this bill less objectionable. Under the provisions of this bill, it is estimated by the Library of Congress that production in normal years will be 960 million bushels. Domestic consumption and exports are expected to exceed imports by 1,050 million bushels. That means that in a normal year the production will be 90 million bushels less than the disappearance. Under normal circumstances the Commodity Credit Corporation would then have a market for 90 million bushels of the wheat that is now in storage; but in this bill is a provision for distributing as a "payment in kind" of at least 125 million bushels. In years when the market is already glutted and the price is lower, more bushels would be distributed. The worse the problem, the more the payment-in-kind provision would aggravate it. This clearly would throw the market out of balance and defeat to a great extent the purpose of the act. That excess wheat would either move into the feed-grain market and wreck the whole wheat and feed-grain market worse or, in the alternative, it might be replaced in the Government bin with new wheat. To the extent that

it is replaced with new wheat, the Government would incur charges for moving wheat out, moving wheat in, and duplicate costs for storage. This would be an unnecessary duplication of expenses. This amendment would permit the Secretary to avoid this ridiculous situation to the extent that additional expense would be required to produce nothing.

Under this bill, a scalper will buy the wheat certificates and may demand payment in New Orleans or anywhere, whether the Commodity Credit Corporation has wheat there or not. The scalper would certainly be able to buy the certificates at less than the value of the grain because a farmer is not going to go through all the red tape necessary to get a few bushels of wheat if he can sell his certificate for perhaps even 75 percent of face value. This means that for each \$1 worth of wheat distributed, the farmer would receive only 75 cents and then the Government has the cost of redeeming the certificate with wheat wherever the scalper or dealer demanded. It may very conceivably cause the Government to ship and incur the expense of transporting wheat thousands of miles. Under this amendment, the Secretary of Agriculture could avoid these costly and ridiculous situations. He has standing authority under section 407 to sell wheat and under these circumstances he could under this amendment sell wheat where it happens to be located and pay off the certificates with the money instead of shipping the wheat all over the country at great expense to the taxpayer with no benefit to the farmer.

Payment in kind as written in this bill is nothing less than the most expensive way possible to pay the farmer for land taken out of production and with the maximum amount of red tape. If the feeling of this House is that the wheat farmer should have some additional income in addition to the increase in support rate in this bill, then it would be far cheaper for the Secretary of Agriculture to sell the amount of wheat involved to the highest bidder at the bin site and distribute the money instead of going to all of the expense and red tape involved in distributing certificates to be sold at a discount which require the Government to later distribute wheat to the holder of the certificate.

There was a payment in kind provision in the soil bank act which made it permissive for farmers to receive a commodity at a bargain price in lieu of cash. A total of only two-tenths of 1 percent chose to take payment in kind and 99.8 percent rejected it. This bill requires farmers to hurdle all that costly red tape that 99.8 percent have shown they do not prefer and with a loss to the Government in comparison to the alternative authorized under the amendment.

Mr. Chairman, the payment in kind provision in this bill is not only a costly provision but it is also an illusion that would in its operation go far toward defeating the objectives and the good provisions of the bill. This amendment would make it less objectionable and give the Secretary the tool with which he could avoid some ridiculous situations

that are bound to arise which will be derogatory to the reputation of the wheat program. Although I realize there is a probability that the payment in kind gimmick as it is now written will be taken out in conference anyway, I feel that the facts should be presented to the House and I hope the amendment will be adopted instead of waiting on the conference to either eliminate or improve this situation.

Mr. ULLMAN. Mr. Chairman, it has been said here today that the committee bill is special legislation sponsored by the wheatgrowers of the Nation. Nothing could be further from the truth. This bill, which the committee has brought to the floor, represents a most sincere and responsible approach to a solution of a critical wheat problem. It is accepted by most of the wheat ranchers because they are willing to face up to their responsibilities toward getting production in line with consumption by realistically accepting the necessity of curtailing production.

Do you think my wheat ranchers like the idea of a 25-percent cut in their wheat allotment? They do not. Let us look at a typical 500-acre family farm in my district. Because half of the acreage must lie fallow each year, this farmer has 250 acres available for production. Under the present program, he has already been subjected to severe acreage restrictions. His wheat allotment today is 150 acres. Another 25-percent cut would reduce his wheat planting to 112½ acres which is less than 45 percent of his production capacity.

Some question has been raised as to the need of 90 percent of parity. I want to make it clear here that this family farmer cannot stay in business with such sharply curtailed acreage if he receives less than 90 percent of parity. As a matter of fact, these will be lean years under the program offered today.

This is responsible legislation. It will meet head on the critical problem of mounting surpluses. Wheat acreage will be cut from 55 million acres to 41 million acres. It will be necessary to dip into our surplus to meet annual requirements. Wheat will be taken out of storage, relieving the taxpayers of burdensome warehouse costs. The committee has worked hard and long on this bill. They admit it is not perfect but it is the soundest approach we can make to a most difficult problem. I urge my colleagues to vote for the committee bill.

Mr. HORAN. Mr. Chairman, I am well aware of how difficult it becomes to write a piece of Federal legislation affecting a commodity which can be produced in every State in the Union. I appreciate the work which the Committee on Agriculture has done by trying to find some basis of agreement regarding a wheat bill. And, I am also appreciative of the opportunity to listen and to participate in this debate. I realize also the conflicts that arise when any adjustments are attempted to be made in the area which involves the entire field of feed grains, since, of course, anything that we might do to alleviate



the wheat surplus must take cognizance of the permission to feed grain to livestock.

However, the bill before us does not fit my district at all. Most of the wheat farmers in my district are commercial producers of wheat. They are important producers and they farm reasonably large acreages. My district has a high percentage of self-owned farms and they produce sizable bushelages on their farms. It is worthy of note that very few wheat producers in my district exceed the \$50,000 limitation and most of those are just barely over that proposal which we passed when we had the agriculture appropriations bill before us.

One thing about this bill which disturbs me is that a high percentage of the wheatgrowers in my district practice summer fallow, meaning that they farm one-half of their acreages each year and cultivate the other half so in the dry climate they can have water conserved over a full year for the next year's crop. It is meaningful then to me that any reduction in the half that is farmed, places a tremendous burden on the wheatgrowers in my area. This bill does not reach their needs.

Another item that bothers me and which I feel needs some clarification—I do trust that I am correct in my observation regarding it—is the matter of the 15-acre wheat producer. I believe that this privilege extended to 1¼ million farms has had the effect of moving the center of wheat production out of the commercial areas and into those areas where 15 acres of wheat, subject to price support, becomes little more than a money crop and contributes greatly to our surpluses. I have heard the figure "600 million bushels" used and, of course, this figure would explain our wheat surplus eloquently. Moreover, much of this wheat is produced in areas of comparatively high rainfall and its milling qualities are very, very poor.

I take note of the fact that it is proposed here to reduce the 15 acres to 12 and it is said that this reduction will add nearly 100,000 wheat producers to those subject to penalty. However, as far as I can analyze this, it is the reduction of 15 to 12 that aids these hundred thousand wheat producers and, if this is true, it merely adds to the imbalance of wheat production in the United States and solves nothing. It complicates the problem still further.

There are some who feel, "Well, let us pass a bill and send it to conference." As for that, I can only observe that if we cannot write a good bill in committee, we have a small chance of writing an acceptable bill in conference. Bear in mind that all we have to vote on are the proposals which will come before this Committee of the Whole House and consequently, any judgments which we may make, have to be predicated upon the bill before us.

In conclusion, I would like to refer to an editorial published May 21 in the *Odessa Record* in my district. This fine country paper is published in the heart of the Wheat Belt in my district. *Odessa* has no other industry other than wheat. The *Odessa Record* comments that this

week's announcement of proposed farm price legislation causes local farmers to believe they have been led to go along with a losing scheme. Although the farm program has been far from satisfactory in recent years, the farmers have given it their vote and support. They have theorized that a sensible plan will be forthcoming. They continue in the editorial to state that if the present program should pass Congress, as announced, the only hope is that a Presidential veto will follow. They further state that in the meantime farmers are trying to answer the challenge that faces them and if a vote were to be taken this week, there would be a surprising vote against the entire program. And, the *Odessa Record* continues to editorialize that farm-supported groups such as the Grange and similar organizations have studied the Nation's need and they came up with what they considered sound programs, but have failed to get their ideas considered in national policy levels. The editorial concludes that like the tax revolt in our State of Washington, it is now up to the farmer to stage his own revolt and write to Congress in a way of not condemning but rather carry suggestions from the farm level to change congressional thinking.

Of course in this editorial they are referring to the domestic parity program which originated in Washington and Oregon and which has been largely endorsed by the National Association of Wheat Growers and the National Grange. All over the United States where editors and analysts observe the imbalance of wheat production, the cry goes out to, at least, give the domestic parity program a chance to be tried.

Mr. DIXON. Mr. Chairman, in reading the majority statement on H.R. 7246, I am struck by one thing. The only part of the majority statement to which I can subscribe in full is the first sentence, "Wheat is the Nation's No. 1 farm problem." Let us review together each of the major points made by this statement and point out the half truths therein.

The majority view as stated in the committee report is that the U.S. exports of wheat since 1953 have declined in comparison with the previous 6 years. Now, the period which the majority report is talking about is the period from 1947 to 1952. This was both a post-war reconstruction period and a war period. During this war-dominated era in excess of 1,100 million bushels of wheat were purchased by the Federal Government for military procurement and for export under the Marshall plan. Certainly I would agree that the wheat purchased for the military and to feed war-ravaged peoples was essential. However, to use actions taken under the exigencies of war and the insatiable demands of war as proof of the fine job done during his period in marketing wheat is as phony as a \$3 bill. Certainly no one would expect the majority to claim credit for the war. Similarly, the majority should not boast about war-related export actions entirely paid for by the taxpayer.

This majority statement also states that during the 1947-52 period U.S. ex-

ports amounted to 43 percent of the total world movement of wheat. As I pointed out earlier about one-half of our exports were made for military procurement and under the Marshall plan. Also, when the productivity of the war-ravaged world was restored the ability of other countries to export was greatly increased. During this period production of wheat outside the United States increased by 2.8 billion bushels or over 60 percent. Of course, some of this went into export.

It is rather interesting that this statement also refers to supplies of wheat and makes a comparison between 1952 and 1958. I well recall that Secretary Brannan, prior to his departure from office, announced 90 percent of parity price supports with unlimited production for the 1952-53 crops of wheat. This was really playing fast and loose with the American taxpayer. By June 30, 1954, the carryover from the Brannan announced 1953 and earlier crops had increased to 933 million bushels—up 700 million bushels in 2 years. This was Brannan's folly. But the CCC had to pick up the tab to the tune of \$1.8 billion. Half truths, half truths, what foolishness is uttered in thy name.

Another half truth which the majority is attempting to foist on this body is the fact that Russian exports have increased by 500 percent in 2 years. Now the statistics are accurate. They come from official Government sources. Those same sources also show that 82 percent of these Russian exports went to Iron Curtain captive nations. I am not sure just what the majority statement is implying by these glowing statistics. I ask the Chairman, what is the purpose of including these statistics when 82 percent of these exports go to captive countries? Does the United States have captive countries upon which it can impose its wheat surpluses?

It is hard to see how proponents of the bill could argue that its provisions meet the major objectives of the wheat program recommended by the President.

The most glaring shortcoming in H.R. 7246 is that it would increase mandatorily the support level of wheat from 75 to 90 percent of parity at a time when surplus supplies at an alltime high and there is little outlook for improvement. There is no reasonable basis for this kind of proposal.

Advocates of the bill indicate that other provisions will effectively control the size of the wheat crop, and because of this, there is no validity in the contention that the higher support level will encourage extra and unwanted production. But this is not the real story. We recognize that other aspects of the bill would provide some control on wheat production but this alone does not justify the case for 90 percent of parity. We all recognize—or should recognize—that such an unrealistically high support level would provide additional incentive for producers to intensify their production effort and practices—this leads inevitably to even higher yields and thus offsets any advantage resulting from the acreage reduction contemplated. Simply stated, high support prices have cost us markets



in the past, and they will continue to do so in the future.

Just how much reduction in supply is likely to result from this bill which would establish support levels at 90 percent of parity for both the 1960 and 1961 wheat crops? Let us take a close look at this: wheat acreage would be reduced by perhaps 25 percent, if everyone participates, but the acreage still in production at yields which are continually trending upward will produce about as much as we are likely to require—in fact it will produce more than we can dispose of domestically, and export for dollars. But the bill also provides for making payments in kind, that is from CCC's surplus wheat stocks, to producers who comply with the program. This wheat representing payments in kind, while not eligible for price support, is freely available for marketing without penalty and thus becomes a part of the free supply. The quantity involved may be well over 100 million bushels.

Costs of the bill would be very high when one considers the combined effect resulting from the 90-percent price support provision, coupled with payments in wheat for reducing wheat allotments below 55 million acres, and added to higher export subsidy costs which clearly would result. Subsidy costs are bound to increase: When the mandatory support level is raised from 75 percent to 90 percent of parity, the wheat price per bushel in the market is increased by about 45 cents, based on the current calculation. If we make strenuous efforts, as we should, to maintain traditional wheat export markets, and are "fortunate" enough as to export as much as 450 million bushels, extra costs of the wheat export subsidy alone would amount to around \$200 million annually.

The bill also makes a change in the 15-acre wheat marketing quota exemption; this seems to be largely window dressing. It does not eliminate the provision, as the President recommended if the control route is to be followed, but the report on H.R. 7246 states that it "deals equitably with the 15-acre wheat farmer." What it actually does is to reduce the exemption to the farmer to 12 acres or the highest planted acreage in 3 years, 1957, 1958, or 1959. There is some reason to believe that this provision was included in an effort to pick up a little more support from those who may be persuaded that the bill is following control route recommendation in its major provisions. Other provisions may have been included for the same purpose, that is, elimination of the 200-bushel marketing quota exemption, and establishing voting eligibility provisions on the previous year's planting record; but these provisions are likely to have little effect on the overall program. Why is the small family wheat farm discriminated against?

The bill also goes a long way in imposing additional restrictions on farm operations. The 25-percent reduction of wheat acreage would require additional visits and checkups on farms and farming operations. An even closer look would have to be taken if a farmer applied for payments in kind, since eligi-

bility for such payments is contingent upon withholding the acreage involved from all crop production and from grazing. Aside from the additional restrictions on farmers, all these visits, and resulting extra record keeping, cost money; administrative expenses of the program are likely to be much higher.

So off we go. Costs are higher; the bureaucracy is greater and the disappointments will be more evident. Let us stop stopgapping. Let us vote this bill down.

Mr. ROBISON. Mr. Chairman, like most of us, I fear, I have been sitting here this afternoon listening to the debate on H.R. 7246—the wheat bill—and only growing more and more confused.

So far as I can figure out, the only point on which there is general agreement is that the existing law has failed, and failed miserably. Here is what this Congress has achieved to date: A year from now our wheat surplus will amount to 1.5 million bushels, an amount three times greater than our annual consumption of wheat and wheat products for food. The total Federal investment in that surplus will be \$3.5 billion, and we are already spending over a million dollars a day just for storage, interest, and transportation costs on this mountain of wheat. We almost literally are up to our ears in wheat.

Well, now, it's easy for me to criticize, Mr. Chairman, because all of this started before I joined this august legislative body. I am reminded of the old story of the Sunday school teacher who asked her class of youngsters who stole the gates of the temple. All of her pupils looked at each other blankly, having forgotten their lesson, until one little boy began to cry. The teacher asked him what the trouble was, whereupon he said, through his tears, "Please, teacher, it wasn't me; I only moved to town last week."

But, without seeking to blame anyone for having tried with all sincerity and all the wisdom they possessed to help the wheat farmers of this Nation, isn't it time, Mr. Chairman, to put an end to this madness? I think I know what the farmers of my congressional district want, and that is a return at long last to the sane, healthy, free enterprise, supply and demand basis American agriculture was on prior to the beginning of this uneconomic and endless tinkering which has proved such a hurt to every citizen of the United States. Isn't it time for us to admit that the original diagnosis was wrong, or is at least terribly outdated today, instead of continuing to prescribe one different program after another without seeming to note or care that our patient is dying?

I think it is, and, with the thought in mind of giving all those who feel the same way a rallying point, I am today introducing a bill which, very simply, ends the entire Federal farm price support program. It may never see the light of day after it is referred to committee, but we have got to start somewhere and I think today is the day.

Mrs. MAY. Mr. Chairman, it is my view that H.R. 7246, which was reported out of the House Committee on Agricul-

ture, is a shortsighted stopgap measure which attempts to go in several directions at once, and does not begin to meet the critical wheat issue. As a member of the Agriculture Committee, I refused to endorse it. This is a grossly inadequate bill which in no way answers our most pressing farm problem, reduction of our present oversupply of wheat. I see little point in adopting this 2-year program that solves nothing, so that in 2 years the Congress will be faced with today's farm problem compounded by our failure to squarely face the problem now.

The Washington and National Association of Wheat Growers and the National Grange have given long study to and generally agree that the permanent program of the wheat stabilization plan is the best solution in attempting to solve the crisis in wheat. Many thinking wheat farmers and others vitally interested in the national problem agree—and I agree with them—that if we are to go the rigid control route, then the wheat stabilization plan is the most desirable direction to take, especially in view of the tremendous surpluses, which, according to the Department of Agriculture, will rise to almost 1.5 billion bushels by June 30, 1960. This huge surplus is about three times greater than the annual U.S. consumption as food. We are now spending over a million dollars a day just on storage, interest, and transportation costs in this surplus. I believe that I can say, without fear of contradiction, that we are all agreed that the solution of this problem takes an A-1 priority.

I am sure that the wheatgrowers in the United States today could not care less about what it was, or who it was, that produced their dilemma; they are just anxious for Congress to help them find a way out. I am interested today only in advocating that it is time we take a fresh new approach to the whole situation and I feel very strongly that the ones who have the most to offer in helping us come up with a sound, reasonable solution to this crisis are those in our farm economy who grow wheat. I believe I may go further and say that I think there is another point upon which we are all agreed and that is that any new program in the field of wheat economy that comes out of this session of the Congress should have certain goals. A very concise summation of these goals can be described as a program that will be less costly than the one under which we are operating; a program that will reduce surpluses rather than build surpluses; a program that will move in the direction of more freedom for the farmer; and will protect the wheat-grower from economic ruin while this program is going into effect.

In testimony before the House Committee on Agriculture in recent months, nearly every individual or organization that appeared before the committee started out by saying that the legislation he presented was not perfect. I believe that this amounts to a tacit admission that so involved and complicated is the problem that there cannot possibly be a perfect legislative solution at this time. Therefore, I believe that the great re-



sponsibility for, not only this subcommittee, but all of Congress, is to come up with legislation that is a step in the right direction and I submit that this is what the National Association of Wheat Growers presented to the committee in their Wheat Stabilization Act.

I should just like to reiterate for you the basic points of their legislation which has been developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat. In their program, they have to the best of their ability presented a plan that will, first stabilize producers income at a reasonable level; second, allow freedom to plant and harvest crops best adapted without Government interference; third, permit producers to carry reserve for short crop years; fourth, prevent wheat prices from reaching disastrously low level; and, fifth, enable wheat producers to market best quality wheat in domestic food and export markets and lower grades in feed markets. I would also like to remind you that the drafters of this bill say that it is estimated that under the present program 200 million bushels will be added to CCC stocks annually. On the other hand, the wheat stabilization program stops the buildup of CCC stocks and provides for the reduction of these stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel and savings in storage costs on the defense stockpile of approximately 6 cents per bushel.

Finally, I feel that because an organization like the National Association of Wheat Growers, which represents a large number of those who are growing wheat throughout this Nation, have been drafters of this bill, because also they have worked with one of our most powerful and effective farm groups, the National Grange, on this legislation. Certainly with this type of grower representation behind this legislation—which has been introduced by many Members of Congress—the House of Representatives can do no less than to give it sincere and earnest consideration. It goes without saying that if we are to be successful in getting some program to help us out of the present crisis in wheat surplus through this session of the Congress, we must have a unified approach. It is my sincere belief that a very sound place to begin is with this marketing quota and income stabilization plan as presented by the National Association of Wheat Growers.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Chair must inform the gentleman from Michigan that the motion is not debatable.

Mr. HOFFMAN of Michigan. Is this a Senate bill?

The CHAIRMAN. This is a House bill. Mr. HOFFMAN of Michigan. This is a Senate bill and the Chair holds that it is not debatable at this time?

The CHAIRMAN. All debate on the bill has been ordered closed.

Mr. HOFFMAN of Michigan. This is not on the bill. This is on a motion to strike out the enacting clause on the ground that the first amendment has

been denied to the minority here, the right of free speech in debate, and this being the greatest deliberative body in the world and the accusation having been made the other day that the minority was intimidated, or the majority was being intimidated.

The CHAIRMAN. The gentleman from Michigan is a very beloved and very distinguished and very able parliamentarian, but the majority have ruled and ordered that all debate is concluded at this time.

Mr. HOFFMAN of Michigan. The majority? Thank you.

Mr. McCORMACK. I would just like to make a statement on this question of intimidation that the motion was made to enable some Republicans to get away to the Governor Rockefeller affair tonight.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Evins, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, pursuant to House Resolution 285, he reported the bill back to the House with sundry amendments adopted by the Committee on the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, when the time comes for the engrossed copy to be read, I have a request that the engrossed copy of the bill be read.

Mr. BELCHER. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] asks for the reading of the engrossed copy.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, would it be in order to vote on the motion to recommit at this time?

The SPEAKER. It would not be in order until after the reading of the engrossed copy.

Mr. ALBERT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALBERT. Did not the Speaker put the question on the engrossment and third reading of the bill and proceed?

The SPEAKER. The gentleman from Michigan is within his rights and within his time.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOLEY. As I understand the situation, the gentleman from Oklahoma [Mr. BELCHER] had submitted a motion to recommit. Why should we not vote on that this afternoon?

The SPEAKER. It is not time to vote on it. We have got to have the engrossed copy of the bill here before the motion to recommit can be offered.

Mr. McCORMACK. Mr. Speaker, my previous announcement was based upon the completion of this bill today. With this demand for a reading of the engrossed copy of the bill, I am very sorry to say that whatever I said before with reference to the program was relative to the completion of this bill. We will have to have a vote on this bill tomorrow. I want that to be understood by the membership.

The SPEAKER. The Chair is certain the Members will understand that.

#### REDUCING UNNECESSARY BULK OF MATERIAL IN CONGRESSIONAL RECORD

Mr. JONES of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter, including a bill table.)

Mr. JONES of Missouri. Mr. Speaker, some weeks ago, I called attention to some of the abuses which have been made of the privilege Members have of extending their remarks in the CONGRESSIONAL RECORD. Since that time there has been much favorable comment on the suggestion that Congress could save vast sums of money by exercising greater discretion in the selection of material that is printed in the RECORD.

Many Members have expressed their interest in the adoption of rules, or an amendment to the act providing for the printing and binding and the distribution of public documents, which would place some limitation on the frequency of use of this privilege under unanimous consent, and also on the volume of extraneous material which many believe is not of sufficient interest and importance, and certainly in many cases is irrelevant and not pertinent to any legislation under consideration by Congress.

The fact that the cost of printing such material in the CONGRESSIONAL RECORD is approximately \$85 a page has caused an estimate to be made that by the exercise of a minimum amount of discretion and a minimum of limitation would result in the savings of not less than several hundreds of thousands of dollars each year.

The further fact that the resolutions adopted by the Joint Committee on Printing in 1953, which resolutions were revised for clarification in February, 1956, have not proven effective and have been difficult of administration, has caused me to consider the adoption of an amendment to the act which would fix certain limitations. Actually the limitations which are suggested in the bill which I have introduced would have



no effect on the practices of an overwhelming majority of the Members of Congress—in fact it would offer a measure of relief to many Members who sometimes have difficulty in refusing to request permission for the printing of extraneous material in the Appendix of the RECORD which at times has proven embarrassing.

Mr. Speaker, as most of my colleagues know, I have long been interested in bringing about changes which I felt would result in greater economies in the operation of our Congress, and I have spent considerable time in analyzing some of the practices which we follow, and which might be changed with little inconvenience to the Members of Congress, and which on the other hand would result in the greatest savings.

Let me assure you, Mr. Speaker, that I have no desire to take from any Member any privilege which he now has which would in any way prove detrimental either to him, or to his constituency. However, I do feel, that in carrying out the obligations I have as a member of the Committee on House Administration, and more particularly as a member of the Subcommittee on Printing of that committee, I should call to the attention of this body the information that I have caused to be assembled, and to present for your consideration the results of a study which has extended over a period of the past few years. Some of the statistics which this study has developed, are most interesting.

The statistics which I propose to present here are not up to date. In fact they are for the 1st and 2d sessions of the 84th Congress, and the 1st session of the 85th Congress, but they do indicate the extent to which the privilege is used by some and abused by others. I should mention, however, that the situation grows progressively worse each session, and for that reason it would seem that it might be appropriate for Congress to consider this problem before it gets further out of hand.

For instance, up until June 1, 1959, printing of proceedings and debates in the 1st session of the 86th Congress has required 8,446 pages, with an additional 4,580 pages being devoted to the Appendix for this same period. Up until June 1, 1957, printing of the proceedings and debates of the 1st session of the 85th Congress required only 7,287 pages, with an additional 4,222 pages being devoted to the Appendix. One does not have to be a mathematician to figure that with an increase of 1,517 pages of the printed RECORD and Appendix during these two comparable periods, the increased cost—and I emphasize increased cost—is \$128,945 for this 5-month period.

Up until June 1, 1959, the cost of printing the CONGRESSIONAL RECORD, with a total of 13,443 pages, which includes 417 pages of the Digest found in the back of the RECORD each day, computed at approximately \$85 a page, totals \$1,142,655.

If and when hearings are held on the bill which I have introduced, I am confident that I can show any committee that through the exercise of a mini-

mum of discretion and without depriving the public or the Members of this Congress of any valuable information which is not easily and readily available, we can effect a saving of approximately a half million dollars a year by the adoption of this bill.

While I hesitate to take up the valuable space in the RECORD, I am asking unanimous consent to have printed in connection with these remarks, a short, but rather comprehensive memoranda, including the statistics referred to, prepared by a member of the staff of the Committee on House Administration, and which I believe will be helpful to the Members in determining whether or not it is in order for this House to consider this one means by which we can begin to effect economies in the operation of our own house. I believe such action will be applauded by the public, and I also believe it will have a salutary effect on other departments of Government if they can observe that Congress itself is interested in practicing

the economy that it is constantly preaching.

#### CONGRESSIONAL RECORD, APPENDIX, AND EXTENSION OF REMARKS

A careful and detailed analysis has been made of that part of the CONGRESSIONAL RECORD which is included in the daily and green bound copies as the Appendix, as compared with that portion of the case bound, permanent copies called the Extension of Remarks. Beginning with the 2d session of the 83d Congress, as a result of a resolution of the Joint Committee on Printing, certain matter is deleted from the daily Appendix, leaving only specific types of matter to be contained in the permanent Extension of Remarks. A copy of this resolution follows the table below.

The table which follows gives an idea of how much is actually bound in the permanent form and the number of pages which appear once, to be discarded and not available for those who may use the CONGRESSIONAL RECORD for research in later years:

Subject	84th Cong.		85th Cong.	
	1st sess.	2d sess.	1st sess.	2d sess.
Senate:				
Days in session.....	105.....	119.....	133.....	138.....
Time in session.....	559 hours 41 minutes.	801 hours 42 minutes.	860 hours 44 minutes.	1,014 hours 45 minutes.
House of Representatives:				
Days in session.....	112.....	118.....	141.....	135.....
Time in session.....	471 hours 19 minutes.	465 hours 57 minutes.	585 hours 19 minutes.	562 hours 12 minutes.
Congressional Record:				
Daily appendix pages.....	6,314.....	6,154.....	7,325.....	8,375.....
Extension of remarks, bound.....	-2,098.....	-1,923.....	-2,400.....	-2,775.....
Appendix pages not retained in extension of remarks.....	4,216.....	3,231.....	4,925.....	5,600.....

<sup>1</sup> Estimated figure, based upon types of material authorized by the Joint Committee on Printing to be included in extension of remarks.

#### RESOLUTION BY THE JOINT COMMITTEE ON PRINTING

(Originally adopted June 22, 1953. Revised for clarification February 6, 1956)

Whereas section 181, title 44, United States Code, provides, in part, that the Joint Committee on Printing shall take all needed action for the reduction of unnecessary bulk in the CONGRESSIONAL RECORD; and

Whereas it is the sense of the Joint Committee on Printing that the printing of extraneous matter in the permanent form of the CONGRESSIONAL RECORD constitutes unnecessary bulk and a waste of public funds: Now, therefore, be it

Resolved, That beginning with the 83d Congress, 2d session, the following rules shall apply in the makeup of the permanent CONGRESSIONAL RECORD:

1. All 1-minute speeches, regardless of length, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the day's proceedings where permission was granted the Member to address the House for 1 minute and revise and extend his remarks.

2. All remarks by Members of the House on particular legislation under the 5-day rule, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the day's proceedings of the day permission was granted.

3. All statements prepared by Members inserted in the Appendix of the daily CONGRESSIONAL RECORD shall be moved to the end of the proceedings of the day permission was granted. This shall not be construed to include remarks prepared for the introduction of extraneous material.

4. All remarks of Members in tribute to deceased Members or former Members of Congress, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the proceedings of the day permission was granted. Such remarks must be submitted to the official reporters not later than 60 days after permission is granted.

5. All extraneous matter including but not limited to newspaper and magazine articles, editorials, addresses, radio programs, commentators' stories, resolutions from organizations and individuals, letters from constituents, etc., together with Members' remarks accompanying same, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be omitted from the permanent form of the CONGRESSIONAL RECORD; however this restriction shall not apply to speeches, addresses, or articles by the President and the members of his Cabinet, the Vice President, or a Member of Congress.

#### EXTENSION OF REMARKS

Mr. Speaker, a page-by-page review was made of the Appendix to the CONGRESSIONAL RECORD for the 1st session of the 85th Congress, using the foregoing resolution of the Joint Committee on Printing and the actual material contained in the extension of remarks in the bound copies for the two sessions of the 84th Congress as criteria. Speeches and statements prepared for or by Members of Congress, and remarks by Members of Congress which will be included in the extension of remarks for the 1st ses-



## FEDERAL AIRPORT ACT

Mr. HARRIS submitted the following conference report and statement on the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes:

## CONFERENCE REPORT (H. REPT. No. 538)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, having met, after full and free conference, have been unable to agree.

OREN HARRIS,  
JOHN BELL WILLIAMS,  
PETER F. MACK, JR.,  
KENNETH A. ROBERTS,  
WILLIAM L. SPRINGER,  
ALVIN R. BUSH,

*Managers on the Part of the House.*

WARREN G. MAGNUSON,  
MIKE MONRONEY,  
GEORGE SMATHERS,  
ANDREW F. SCHOEPPFEL,  
NORRIS COTTON,

*Managers on the Part of the Senate.*

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, report that the conferees have been unable to agree.

OREN HARRIS,  
JOHN BELL WILLIAMS,  
PETER F. MACK, JR.,  
KENNETH A. ROBERTS,  
WILLIAM L. SPRINGER,  
ALVIN R. BUSH,

*Managers on the Part of the House.*

## WHEAT LEGISLATION

(Mr. SHORT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SHORT. Mr. Speaker, I would like to make some observations about the present wheat legislation that wheat farmers are living with and have been living with for the past several years. The statement has been made that present and proposed wheat legislation is devised for large wheat farmers. The legislation we have at present surely can be described as being not only big farmer legislation, but also real small farmer legislation. Under the present law, it has been possible for a big farmer to overseed, pay the penalty and come up with more net dollars per acre than as if he had complied with his allotment. In addition, if he overseeded enough, he could even increase his base acreage, which would result in an increase in his allotment. This increase for the individual who had not complied, under our fixed national allotment, had to be taken away from those who had complied with the program. Also, in some instances, farmers were penalized by having acres taken away from their allotment because they had not planted enough.

On the other hand, present wheat laws have enabled anyone, anywhere, whether

or not he had ever raised wheat before or not, to raise up to 15 acres of wheat, just as if he had a 15-acre allotment. The only difference being that he was not eligible for a Commodity Credit loan. Since the loan program effectively pegged the price at the support level, however, this was no hardship on this 15-acre farmer. In 1941, when the 15-acre exemption provision was adopted by Congress, there were not too many farmers raising less than 15 acres of wheat. Everyone is in agreement that the little farmer should be given an extra break. What has happened, however, under the law, as the small farmer took advantage of this provision of the law, and incidentally these people are not all small farmers, wheat raising was expanded by leaps and bounds outside the traditional wheat growing areas. As enough of this expansion took place, new States became eligible for inclusion as commercial wheat States. They were given a State allotment which had to be taken from the total National allotment. In readjusting the National allotment, States such as my State of North Dakota, had to take a cut which was proportionately absorbed by every farmer in the State. These farmers, whose primary means of livelihood stemmed from wheat production, were cut down on their allotments to give people who, in most instances, had never raised a bushel of wheat before in their lives, an opportunity to go into the wheat business.

My State of North Dakota has suffered more than any other major wheat producing State from the workings of these peculiarities in the present law. With the Nation's highest percentage of compliance with allotments, we have lost almost twice the acreage of any other wheat-producing State.

To clarify further, if possible, the picture of who produces wheat and the size of operation under which the great majority of wheat is produced, let me give you a few statistics regarding the size of wheat farms in North Dakota. On the great majority of these farms, wheat is the primary income. We do not have a great variety of crops that can be produced on farms in the larger portion of my State. I must say that livestock production could be greatly expanded, but even that has definite limitations.

In North Dakota, the largest group of farmers as to size of wheat allotments, is in the size category between 100 and 200 acres, 19,523. The next largest category is between 50 and 75 acres, where we have 12,744. Below 50 acres in size, we have a total of 23,228, almost one-third of our farms. In the 200- to 300-acre category, we have only 4,731. In the 300- to 400-acre category, 1,542. In the 400- to 500-acre category, 489. In the 500- to 1,000-acre category, 399. Above 1,000 acres, we have only 29 allotments. I might add here that if all these 1,000-acre allotments were added together, they would be some short of the 40,000-acre wheat farm mentioned on the floor here yesterday. So far as my State is concerned, we just don't have any real large wheat farms.

## H.R. 7680: THE ROOSEVELT LABOR-MANAGEMENT REFORM BILL

(Mr. ROOSEVELT asked and was given permission to extend his remarks at this point in the RECORD and include a bill.)

Mr. ROOSEVELT. Mr. Speaker, Wednesday evening, the Joint Subcommittee of the House Committee on Education and Labor closed the public hearings on proposed management-labor reform bills.

Today, the difficult task of approving legislation for the consideration of the House has begun. In an effort to provide a constructive approach, as the result of the weeks of public hearings, I have today introduced a bill. Under unanimous consent, I include it following these remarks.

It is readily apparent that the bill is drawn from four principal sources: First, the testimony of witnesses; second, the so-called Kennedy-Ervin bill; third, the management-labor reform bill passed by the Legislature of the State of New York and signed by its Governor; and, fourth, the proposal of my colleague, Representative KEARNS, H.R. 7265.

I would invite particular attention to the New York statute. New York, like my own California, is a leading industrial State. Its legislature has strong Republican majorities. Its Governor is a registered Republican. After considerable debate and consideration, it adopted a statement of findings and policy which I have embodied as section 2 of my proposal. This policy is moderate and strikes directly at the abuses of fiduciary responsibility of some labor officials which are the main concern of working men and women and the general public. It does not attempt to embark on a new policy of interference in the internal management of unions. It expressly, as in section 210(b) of my proposal, does not raise or limit further the right to strike, picket or other concerted activities for the purpose of collective bargaining. But I emphasize this omission is not a blanket approval of all such present practices. That there is a need for a thoughtful, constructive reappraisal of these activities is denied by no one. I have heeded the advice and opinions given us only yesterday by Senator JOHN MCCLELLAN before the House subcommittee. My proposal, therefore, calls for a special joint committee of the Congress to make such a study and report by April 1, 1960, in order that its recommendations may be acted on before the end of the 86th Congress.

I have long been a worker for the rights of minorities and individuals, within the framework of the needs of the general welfare. The evidence before us demands, I believe, a workable bill of rights for the protection of union members. This, my proposal contains.

Finally, I would stress the simplicity and directness of the proposed measure. It is offered with no claim of perfection, nor will it achieve the goals of extremists. It is offered because of my firm conviction that reasonable legislation is neces-



sary now, and that proposals for more radical and far-reaching steps need further, but not unlimited, consideration for which I have provided.

H.R. 7680

Bill to provide for certain obligations of officers and agents of labor organizations and of employer organizations, employers, and labor relations consultants; and providing for a study of management-labor problems generally

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Labor and Management Improper Practices Act of 1959."

*Declaration of findings, purposes, and policy*

SEC. 2. The rights of employees to organize and to bargain collectively through labor organizations of their own choosing have been affirmatively protected by the Federal laws. Encouraged by these laws, a substantial proportion of the employees in the Nation have become members of, and contribute financially to, labor organizations for the purpose of bargaining collectively with their employers concerning wages and other conditions of employment. To the officers and agents of their labor organizations, these employees have entrusted their funds and the power to act in their behalf in achieving the purposes of their labor organizations.

Experience has shown instances where officers and agents of some labor organizations have abused their positions of fiduciary responsibility.

Experience has also shown instances in which some employers, employer organizations, and labor relations consultants have participated in or induced such abuses of fiduciary responsibility by officers and agents of such labor organizations.

Responsible leaders of the labor movement have recognized that union officers and agents have a fiduciary duty to serve the members of the union honestly and faithfully, and these leaders have taken courageous action against those who have violated their trust. Experience, however, has shown that labor's efforts to correct abuses from within need to be aided and supplemented by legislation.

Such abuses have had a harmful effect on the general welfare, health, and safety of employees and the public, and have the tendency or necessary effect of burdening or obstructing commerce by (1) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (2) occurring in the current of commerce; (3) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods into or from the channels of commerce, or the prices of such materials or goods in commerce; or (4) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing into or from the channels of commerce. Accordingly, it is hereby declared to be the public policy of the United States that officers and agents of a labor organization shall be held to a fiduciary obligation in handling the labor organization's assets; that such officers and agents shall not acquire financial interests which interfere or tend to interfere with the faithful performance of their responsibility to the labor organization; and that such officers and agents shall account fully to the members of such labor organizations for all assets and financial transactions. It is hereby further declared to be the public policy of the United States that employers, employer organizations, labor relations consultants, and other persons shall not participate in or induce violations of such fiduciary obligation by officers and agents of labor organizations.

*Definitions*

SEC. 3. When used in this Act the term—

(1) "Person" includes one or more individuals, partnerships, associations, or corporations, whether acting for themselves or in a representative capacity.

(2) "Labor organization" means any organization of any kind which exists for the purpose, in whole or in part, of representing employees in dealing with employers or employer organizations engaged in an activity or industry affecting commerce concerning terms and conditions of employment, grievances, labor disputes, or other matters incidental to the employment relations, and shall include the parent national or international organization of a labor organization.

(3) "Employer" means any person engaged in an activity or industry affecting commerce employing another includes any person acting as an agent of an employer, directly or indirectly.

(4) "Employer organization" means any organization of any kind which exists for the purpose, in whole or in part, of representing employers in dealing with employees or labor organizations concerning terms and conditions of employment, grievances, labor disputes, or other matters incidental to the employment relationship.

(5) "Labor relations consultant" means any person who, for compensation, advises or represents an employer, employer organization, or labor organization concerning employee organizing, concerted activities, or collective bargaining activities, but shall not include a director, officer, or regular employee of such employer, employer organization, or labor organization, or an attorney engaged in the practice of law.

(6) "Officer" means any person holding or, in fact, performing or authorized to perform the functions of an office named or described in the constitution, charter, articles of incorporation, articles of association, or bylaws of a labor organization or employer organization.

(7) "Agent" means any person, other than an attorney engaged in the practice of law, who represents or is authorized to represent a labor organization or employer organization, alone or with others, in its dealings with employers, employees, members, employer organizations, labor organizations, or other persons, regardless of whether his relationship to the labor organization or employer organization is that of an independent contractor or employee.

(8) "Commerce" means trade, traffic, commerce, transportation, transmission or communication among the several States or between any State and any place outside thereof. For purposes of this sub-section, "State" includes any State of the United States, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462).

(9) An activity or industry "affecting commerce" means any activity or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and includes any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act of 1947, as amended.

*TITLE I—BILL OF RIGHTS*

SEC. 101. The constitution, by-laws, or other basic documents of every labor organization, as adopted and approved by its membership, shall include the following—

(1) Rules of order for the conduct of its meetings and conventions;

(2) Provisions for charges, notice and hearing in disciplinary matters, other than fines for non-attendance at union meetings and for failure to pay dues;

(3) Provisions setting forth the right to seek redress against such union in the courts of law or before administrative agencies after exhaustion of remedies within a reasonable period of time, not to exceed six months;

(4) The democratic right to vote on new or additional dues or initiation fees, and to vote on assessments exceeding \$12.00 in any one fiscal year;

(5) The democratic right to attend union meetings, participate in union affairs, and participate and vote on nominations and elections of union officers;

(6) The right to express views, arguments, or opinions in all matters directly or indirectly affecting the union;

*Provided,* That nothing in this section shall be construed to impair the right of a labor organization to make reasonable rules and regulations with respect to the matters herein, including but not limited to, maintenance of order and decorum at union meetings, and the right to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and as a collective bargaining agent and to his refraining from conduct that would interfere with the performance of its legal or contractual obligations. Such rules and regulations shall be presumed to be reasonable unless held to the contrary by the court of competent jurisdiction as herein-after provided.

SEC. 102. Any member who shall feel aggrieved because of the failure of a labor organization to comply with the above, or to comply with its constitution, bylaws, or basic documents relating to the above, shall first exhaust his remedies within such organization. If, after a period of six months, such remedies have not been finally exhausted or the complaint satisfactorily adjusted, such member may then file a sworn complaint with the Federal Mediation and Conciliation Service. The Service shall make an investigation and conduct a hearing if it deems necessary, and if the Federal Mediation and Conciliation Service finds that further extension of time for exhaustion of remedies within such organization is unreasonable. The Service may dismiss the complaint or issue advisory recommendations with respect thereto, but neither the member nor the labor organization shall be required to accept such recommendations. If the member still feels aggrieved after final action of the Service he may bring an action in a district court of the United States for such relief as may be appropriate. Any such action against a labor organization shall be brought in a United States District Court of the district where the alleged violation occurred or where the headquarters of such labor organization is located.

SEC. 103. The Federal Mediation and Conciliation Service shall keep adequate records of the matters presented to it under the procedures set forth herein and shall report its findings and recommendations to the Senate and the House of Representatives by not later than January 31, 1961, and annually thereafter on January 1.

*TITLE II—FIDUCIARY OBLIGATIONS; REPORTING  
Fiduciary obligations of officers and agents*

SEC. 201. No officer or agent of a labor organization shall, directly or indirectly—

(1) have or acquire any pecuniary or personal interest which would conflict with his fiduciary obligation to such organization;

(2) engage in any business or financial transaction which conflicts with his fiduciary obligation; or

(3) act in any way which subordinates the interests of such labor organization to his own pecuniary or personal interests.

*Specific prohibited financial interests and transactions*

SEC. 202. (a) Without limiting his fiduciary obligation provided in section 201, it









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

Issued June 15, 1959  
For actions of June 12, 1959  
86th-1st, No. 97

## CONTENTS

Acreage allotments.....	42
Adjournment.....	19, 29
Alaska.....	3
Appropriations..	13, 15, 18, 21
Archelological data.....	7
Atomic energy.....	13
Centennial celebration....	8
Electrification.....	37
Experiment stations.....	22
Farm credit.....	12
Farm loans.....	1, 4, 17
Farm program.....	26, 30
ed grains.....	42
Foreign aid.....	28
Foreign currencies.....	9
Forestry.....	15, 21
4-H Clubs.....	34
Health.....	38
Interest rates.....	31
Lands.....	14, 39
Legislative program...18,	28
Military construction.....	9

Personnel.....	25, 33, 38
Patents.....	40
Postal rates.....	6
Poultry.....	17
Price supports.....	1, 42
Prices.....	23
Public debt.....	31
Public works.....	24
Reorganization.....	10
Research.....	5, 11
School lunch.....	17
Stockpiling.....	36
Surplus food.....	16
Taxation.....	27
Tobacco.....	1
Transportation.....	41
Wages.....	23
Water utilization.....	5
Water resources.....	32
Wheat.....	2, 20, 35

HIGHLIGHTS: House passed wheat bill. Conferees were appointed in both Houses. Senate concurred in House amendment to tobacco price support bill. House received conference report on Interior appropriation bill (includes FS). Senate passed bill to extend authority for refinancing farm loans. Senate passed over bill to provide for centennial celebration of establishment of USDA and land-grant colleges. Sens. Johnston and Neuberger and Rep. Morrison introduced and Sen. Johnston discussed Federal employee health bill.

## SENATE

1. TOBACCO. Concurred in the House amendment to S. 1901, which provides that tobacco price supports shall be 90% of parity computed under the new or old formula, whichever is lower (pp. 9583-4). This bill will now be sent to the President. The House amendment limited to \$50,000 the total amount of CCC loans or purchases made to any person on the 1960 production of tobacco.
2. WHEAT. Sen. Humphrey commended the action of the House in passing S. 1968, the wheat bill, and expressed hope that Senate conferees will agree with the House action. pp. 9634-5  
Sen. Proxmire inserted a newspaper article, "The State of Congress," commenting on the status of legislation, including the lack of agreement "on a wheat program, let alone a basic change in the disastrous farm program generally." p. 9576

3. ALASKA. Agreed to the House amendment to H. R. 7120, to amend certain laws of the U. S. in light of the admission of Alaska into the Union (p. 9575). This bill will now be sent to the President.
4. FARM LOANS. Passed without amendment S. 1941, to amend Sec. 17 of the Bankhead-Jones Farm Tenant Act so as to continue the authority of FHA to make real estate loans for refinancing farm debts for two years, until June 30, 1961. p. 9589
5. WATER UTILIZATION. Passed without amendment H. R. 1306, to amend the Columbia Basin Project Act so as to permit delivery of water for use by Washington State College for research purposes (pp. 9584-5). This bill will now be sent to the President.
6. POSTAL RATES. Passed without amendment H. R. 5212, to revise the minimum charge on pieces of mail of odd sizes and shapes (p. 9587). This bill will now be sent to the President.
7. ARCHEOLOGICAL DATA. Passed without amendment S. 1185, to provide for the preservation of historical and archeological data which might otherwise be lost as a result of the construction of a dam. p. 9592
8. CENTENNIAL CELEBRATION. Passed over, at the request of Sen. Engle, H. R. 4012, to provide for the centennial celebration of the establishment of the Department of Agriculture and the land-grant colleges and State universities. p. 9587  
Sen. Wiley urged passage of this bill and inserted a statement on the purpose of the centennial observances. pp. 9577-8
9. MILITARY CONSTRUCTION. Passed over, at the request of Sen. Engle, H. R. 5674, to authorize construction at military installations, including the use of foreign currencies under Public Law 480 for foreign military housing. p. 9584
10. REORGANIZATION PLANS. Passed over, at the request of Sen. Engle, H. R. 5140, to amend the Reorganization Act of 1949 so as to extend the time in which the Act will apply to reorganization plans transmitted to Congress at any time before June 1, 1961. p. 9588
11. RESEARCH. Passed over, at the request of Sen. Engle, S. 864, to provide greater protection against the introduction and dissemination of diseases of livestock and poultry. p. 9589
12. FARM CREDIT. Passed over, at the request of Sen. Engle, S. 1513, to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable to officers and employees of the U. S.; and S. 1512 to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks. p. 9589
13. APPROPRIATIONS. Passed over, at the request of Sen. Engle, S. 2094, to authorize appropriations for the Atomic Energy Commission. p. 9592
14. LAND. Passed as reported S. 1521, to provide for the removal of restrictions on use with respect to a tract of land in Cumberland Co., Tenn., formerly under the jurisdiction of FHA, which was conveyed to Tenn. pp. 9596



15. FORESTRY. Passed over, at the request of Sen. Keating, H. R. 2497, to add certain lands located in Idaho to the Boise and Payette National Forests. p. 9591
- Sen. Murray urged additional appropriations for the national forests, stated that 20 Senators had signed letters "to the Secretary of Agriculture and Director of the Bureau of the Budget endorsing the recommendation of the Committee on Appropriations that a budget request be submitted during this session of Congress to implement the program for the national forests during fiscal year 1960," and inserted a copy of the letter to the Budget Bureau. p. 9577
16. SURPLUS FOOD. Sen. Humphrey inserted and commended a pamphlet from the National Council of Christian Churches, "Share Our Surpluses," reviewing activities of churches in distributing surplus foods to needy persons overseas. p. 9603
17. POULTRY; FARM LOANS. Sen. Humphrey inserted a resolution of the Northeastern Assoc. of State Departments of Agriculture urging this Department to increase the purchases of dried eggs and poultry for the school lunch program, and extension of the authority of FHA for refinancing farm loans. p. 9603
18. LEGISLATIVE PROGRAM. Sen. Johnson announced that it is expected that the Appropriations Committee will report several appropriation bills for consideration this week, June 15-19. pp. 9571, 9598
19. ADJOURNED until Mon., June 15. p. 9643

HOUSE

20. WHEAT. Passed, 188 to 177, with amendments H. R. 7246, the wheat bill. Passed S. 1968, a similar bill, after amending the bill to substitute the provisions of H. R. 7246, as passed. H. R. 7246 was laid on the table (9644-51, 9687, A5078). Conferees were appointed in both Houses (9633-4, 9651).
- Rejected, 141 to 224, a motion by Rep. Belcher to recommit the bill to the Agriculture Committee with instructions to insert the provisions of his bill, H. R. 7611 (9645-7).
21. INTERIOR APPROPRIATION BILL FOR 1960. Received the conference report on this bill, H. R. 5915 (H. Rept. 545). (pp. 9700-2, 9703) See the end of this digest for information regarding Forest Service items, and excerpts from the conference report.
22. EXPERIMENT STATIONS. Received from this Department a report on the State agricultural experiment stations for 1958, pursuant to sec. 7 of the Hatch Act, as amended. p. 9702
23. PRICES; WAGES. The Government Operations Committee reported without amendment H. R. 6263, to amend the Employment Act of 1946 to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability (H. Rept. 539). p. 9703
24. PUBLIC WORKS. The Public Works Committee reported without amendment H. R. 7634, to authorize the construction, repair, and preservation of certain public works on rivers and harbors for navigation and flood control (H. Rept. 541). p. 9703

25. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not report) with "technical amendment," H. R. 5178, to provide for health and medical services for civilian employees in Government service overseas and their dependents. p. D472
26. FARM PROGRAM. Received from the Rhode Island Legislature a memorial requesting that a reexamination of the "merits of the farm support program" with a view to aid the consumer and eliminate wasteful and expensive farm surpluses and urging a \$50,000 ceiling on price support benefits. p. 9703
27. PAYMENTS IN LIEU OF TAXES. Received from the Maryland Legislature a memorial urging favorable action on S. 910, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property. p. 9703
28. LEGISLATIVE PROGRAM. Rep. McCormack announced that on Mon. the Consent Calendar will be called and that after that the House will consider H. R. 7500 the Mutual Security authorization bill, and H. R. 3, rules of interpretation concerning the effect of Federal laws on State laws. p. 9651
29. ADJOURNED until Mon., June 15. p. 9702

ITEMS IN APPENDIX

30. FARM PROGRAM. Rep. Lane inserted an editorial which suggests that "Congress should be required to face the fact and take more effective action" to provide a workable farm program. pp. A5047-8  
Sen. Murray commended and inserted an address by Clay L. Cochran, AFL-CIO, "Full Employment and the Good Life," favoring a "carefully worked out system of production payments," and a "direct food distribution and/or food-stamp program." pp. A5048-9  
Extension of remarks of Rep. Dague stating that "I am entitled to point out that I have consistently opposed the continuance of high supports ...," and inserting an editorial, "Let Congress Face It." pp. A5071-2  
Rep. Rogers, Fla., inserted the results of his questionnaire including the farm price support program. p. A5083
31. PUBLIC DEBT. Extension of remarks of Sen. Proxmire inserting an article, "Higher Interest Rates and New Debt Limit to Pay Them," "protesting indignantly the President's high interest rate request." pp. A5049-50  
Rep. Alger inserted Maurice H. Stans', Director of the Bureau of the Budget, statement before the H. Ways and Means Committee on the statutory debt limit. p. A5093
32. WATER RESOURCES. Extension of remarks of Sen. Yarborough inserting an editorial, "Waste of Water Can Lead to Real Trouble for United States of America." pp. A5051-2
33. PERSONNEL. Extension of remarks of Rep. Foley inserting an editorial, "Uncle Sam and His Workers," discussing employee-management relations by Federal employees and stating that "shocking conditions reminiscent of a by-gone era in American labor history are the day-to-day experience of thousands of employees of the Federal Government." pp. A5057-9
34. 4-H CLUBS. Extension of remarks of Rep. Edmondson commending the 4-H Club program and giving some background information on the 29th National 4-H Conference which began June 13. p. A5068



35. WHEAT. Rep. Wier inserted a reprint of a radio broadcast released by the Farmers Union Grain Terminal Ass'n criticizing the proposed Belcher wheat bill. p. A5069

Extension of remarks of Rep. Quie listing his proposed amendments to the wheat bill and explaining "their effect, and the reason behind them."  
p. A5080

Extension of remarks of Rep. Short supporting Rep. Quie's proposed amendments to the wheat bill. pp. A5087-8

36. STOCKPILING. Extension of remarks of Rep. Reuss inserting an article, "The National Boondoggle-Goose Feathers and Castor Oil," and stating that it "raises a number of thoughtful and serious questions about our stockpiling and surplus storage programs." pp. A5072-3

37. ELECTRIFICATION. Extension of remarks of Rep. Cunningham inserting several essays written by high school students on the value of rural electrification to the home and community. pp. A5076-7, A5080-1

#### BILLS INTRODUCED

38. PERSONNEL. S. 2162, by Sen. Johnston, S. Car. (for himself and Sen. Neuberger), and H. R. 7712, by Rep. Morrison, to provide a health benefits program for Government employees; to S. and H. Post Office and Civil Service Committees. Remarks of Sen. Johnston. pp. 9572-4

39. LANDS. H. R. 7701, by Rep. Berry, to provide a program for an Operation Bootstrap for the American Indian in order to improve conditions among Indians on reservations and in other communities; to Interior and Insular Affairs Committee. Remarks of author. pp. 9697-700

40. PATENTS. H. R. 7705, by Rep. McDowell, to amend chapter 27 of title 35 of the United States Code with respect to the rights of the United States in certain patents arising out of research and development contracts with the United States; to Judiciary Committee.

41. TRANSPORTATION. H. R. 7708, by Rep. Moulder, to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest; to Interstate and Foreign Commerce Committee.

42. FEED GRAINS. H. R. 7710, by Rep. Smith, Iowa, to amend the Agricultural Adjustment Act of 1938 to provide a program of acreage allotments and price supports for feed grains; to Agriculture Committee.

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#### COMMITTEE HEARINGS ANNOUNCEMENTS:

June 15: Reorganization Plan No. 1 regarding authority of Forest Service over land transfers, etc., H. Gov't Operations.

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For supplemental information or copies of legislative material referred to, call Ext. 4654 or send to Room 105-A.

EXCERPTS FROM THE CONFERENCE COMMITTEE REPORT ON  
THE DEPARTMENT OF INTERIOR AND RELATED AGENCIES  
APPROPRIATION BILL, 1960

"The managers on the part of the House do not concur in the views of the Senate Committee that the provision of additional funds to implement the 'Program for the National Forests' should be considered later during this session in connection with the Supplemental Appropriation Act for 1960. This new program has only recently been submitted for consideration by the legislative committees and the consideration of any additional fund requirements should properly await their review and recommendations, as appropriate, and the submission of the regular annual budget estimates for fiscal year 1961."

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"TITLE IV--GENERAL PROVISIONS

"Amendments Nos. 43, 44, and 45: Eliminates, as proposed by the Senate, language inserted by the House limiting the amount that may be expended for engineering and design of construction projects and limiting the cost of single family employee housing units to \$18,000 each. The conferees are concerned about the excessive engineering and design costs being incurred on construction projects and directs that the ... Forest Service thoroughly review present policies, practices, and staffing and submit to the Committee in connection with the 1961 Budget a complete report of the action taken and savings in funds and reductions in personnel achieved in this regard.

"The conferees also expect that appropriate administrative action will be taken by all agencies concerned to adopt standard employee houses and to establish necessary regulations to assure that unit costs of planning and construction are held to the minimum commensurate with the provision of adequate housing. The conferees further agree that the total cost of single family employee housing units in the United States, excluding Alaska, including engineering and design, shall not exceed \$20,000 each, exclusive of provision of utilities to the lot line. Exceptions to this limitation must be submitted to the Committees on Appropriations for prior approval. In addition, employee houses shall not exceed the following standards:  
/same as recommended in Senate Report--see Digest 92/ ..."



tors, in anticipation of the playing of "The Star-Spangled Banner"; or has stood silent on the sidewalk, as the flag passes in parade, again amidst a throng of suddenly quiet onlookers, or has participated in the modest, yet ever powerful, flag-salute ceremonies at school.

All such occasions provide an unexplainable sense of drama; and the results, I suspect, are more far reaching than is generally realized.

Of course, Mr. President, there are those who think along different lines—those who determine America's national strength in practical terms, such as manpower, mechanized equipment, and natural resources. Yet, how often I have wondered whether their theorizing is overly inclined toward practical considerations. Judging from the reaction of the average American to his flag, can it not be safely presumed that its energizing qualities are, in effect, as vital as the productivity of an industrial center, such as Detroit?

Certainly there have been many to hold similar opinions. As the famed clergyman, Henry Ward Beecher, once said of the flag:

It is not a painted rag. It is a whole national history, it is the Constitution, it is the Government. It is the free people that stand in the Government on the Constitution.

And as President Woodrow Wilson declared, at a later time of crisis:

The things that the flag stands for were created by a great people. Everything that it stands for was written by their lives. The flag is the embodiment, not of sentiment, but of history. It represents the experiences

made by men and women, the experiences of those who do and live under the flag.

While discounting the traditional exaggeration in such declarations, I nonetheless think we must recognize them as valid. And in view of their validity, we must hail this day—Flag Day, 1959—as a moment of great consequence, for it is now that we honor, not merely a symbol, but a people and a popular will, as well as our historic past and our hope for tomorrow.

Few occasions throughout the year concern so many issues worthy of such consideration, and hope, and prayer, as does Flag Day.

#### ADJOURNMENT TO MONDAY

Mr. KUCHEL. Mr. President, as in legislative session, and under the order previously entered, I move that the Senate stand adjourned until Monday at noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p.m.), as in legislative session, the Senate adjourned, under the order previously entered, until Monday, June 15, 1959, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate June 12, 1959:

##### ATOMIC ENERGY COMMISSION

John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission for the term expiring June 30, 1964. (Re-appointment.)

#### IN THE AIR FORCE

The following officers to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10 of the United States Code:

Maj. Gen. Truman Hempel Landon, 93A, Regular Air Force.

Maj. Gen. Emery Scott Wetzell, 464A, Regular Air Force.

Maj. Gen. Mark Edward Bradley, Jr., 552A, Regular Air Force.

Maj. Gen. Walter Campbell Sweeney, Jr., 555A, Regular Air Force.

Maj. Gen. Archie Jordon Old, Jr., 605A, Regular Air Force.

Maj. Gen. John Paul McConnell, 1611A, Regular Air Force.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate June 12, 1959:

##### IN THE ARMY

The nomination of Frank J. Kobes, Jr., for appointment as professor of physical education, U.S. Military Academy, which was received in the Senate on May 19, 1959.

The nominations of Walter H. Abbott and all nominations following thereafter, to and including Albin T. Zukowski, which were received by the Senate on May 19, 1959.

##### IN THE NAVY

The nominations of Donald J. Conlon and the officers following thereafter, to and including George Sabbag, which were received by the Senate on May 21, 1959.

The nominations of Benjamin B. Manchester III and other officers for permanent appointment in the Marine Corps, which were received by the Senate on May 19, 1959.



# House of Representatives

FRIDAY, JUNE 12, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 17: 5: *Lord, increase our faith.*

God of all grace and goodness, Thou hast revealed Thyself in the wonders and splendor of the world of nature, and now we would turn our thoughts to Thee in praise and adoration.

Grant that Thy spirit, which is filling the earth with so much loveliness, may breathe upon us its quickening and regenerating power that our lives shall bud and bloom into the beauty and strength of the more abundant life.

Help us to appreciate more fully that Thou art always ready to give Thyself unto us according to our need and to lead us in our quest for that nobler and higher self which we have not yet attained.

We beseech Thee to deliver us from those fears that cause us to stand trembling in weakness into that joyous faith which inspires us to walk with courage and hope.

Hear us in Christ's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## CORRECTION OF ROLL CALL

Mr. COLLIER. Mr. Speaker, on roll-call No. 77 on yesterday I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JARMAN. Mr. Speaker, on roll-call No. 77 on yesterday I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## WHEAT PROGRAM FOR 1960-61

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title*

I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"Sec. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price thereof. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however*, That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for ab-

normal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *Provided further*, (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000, (2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support shall be made available to cooperators and non-cooperators at 50 per centum of parity: *Provided, however*, That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."



SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to

store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

(d) Section 336 is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this Act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such

quota by proclamation suspend the operation of the national marketing quotas with respect to wheat".

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

Mr. HALLECK (interrupting the reading of the engrossed copy). Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BELCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BELCHER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BELCHER moves to recommit the bill H.R. 7246 to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following: "That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to cooperators and noncooperators for the 1960 crop and each subsequent crop of wheat shall be 50 per centum of the parity price of wheat: *Provided,* That if price support at 50 per centum of the parity price is in effect under this section, the current price support for wheat, for the purposes of section 407 of the Agricultural Act of 1949, as amended, shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

"SEC. 2. (a) Item (1) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per har-



vested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary.

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and subsequent crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

"(c) Item (3) of Public Law 74, Seventy-seventh Congress, as amended, is amended effective beginning with the 1960 crop of wheat to read as follows:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

"(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is repealed effective beginning with the 1960 crop of wheat.

"SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)), is repealed effective beginning with the 1960 crop of wheat.

"SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

"(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1960 and subsequent crops;'

"(c) Section 362 is amended by deleting the second sentence thereof.

"SEC. 5. Subsection (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

"SEC. 6. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

"(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat."

Mr. BELCHER (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion to recommit be dispensed with, in view of the fact that it includes the Belcher amendment which was offered on the floor and thoroughly discussed yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Oklahoma.

Mr. BELCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 141, nays 224, not voting 69, as follows:

[Roll No. 78]

YEAS—141

Adair	Cederberg	Halleck	May	Quie	Smith, Calif.
Addonizio	Chamberlain	Halpern	Marrow	Ray	Springer
Alger	Chenoweth	Henderson	Michel	Reece, Tenn.	Stratton
Allen	Chiperfield	Hess	Milliken	Rees, Kans.	Taber
Arends	Church	Hiestand	Minshall	Reuss	Teague, Calif.
Auchincloss	Cohelan	Hoeven	Mumma	Rhodes, Ariz.	Thompson, N.J.
Avery	Collier	Hoffman, Ill.	Nelsen	Riehlman	Thomson, Wyo.
Ayers	Conte	Holt	Nix	Robison	Van Pelt
Baker	Cunningham	Holtzman	Norblad	Rodino	Van Zandt
Baldwin	Curtis, Mass.	Horan	O'Brien, N.Y.	Rooney	Wallhauser
Barrett	Daddario	Hosmer	Osmers	Schenck	Walter
Barry	Dague	Jackson	Ostertag	Schwengel	Westland
Bass, N.H.	Daniels	Jarman	Pelly	Short	Wharton
Bates	Delaney	Jensen	Pillion	Siler	Wilson
Baumhart	Derwinski	Johansen	Poff	Simpson, Ill.	Younger
Belcher	Devine	Judd	Powell	Simpson, Pa.	Zablocki
Bennett, Mich.	Dixon	Keith			
Bentley	Dooley	Kilburn			
Berry	Dorn, N.Y.	Knox			
Betts	Dorn, S.C.	Lafore			
Bolton	Dwyer	Laird			
Bow	Fenton	Lindsay			
Boyle	Ford	Lipscomb			
Brewster	Gallagher	McCulloch			
Broomfield	Gavin	McDonough			
Brown, Ohio	Glenn	McIntire			
Broyhill	Goodell	McSween			
Budge	Granahan	Macdonald			
Bush	Green, Pa.	Mack, Wash.			
Byrne, Pa.	Griffin	Martin			
Byrnes, Wis.	Hagen	Mason			
			Abbott	Friedel	Montoya
			Abernethy	Fulton	Moorhead
			Albert	Garmatz	Morgan
			Alexander	Gary	Morris, N. Mex.
			Andersen	George	Morris, Okla.
			Minn.	Grant	Morrison
			Anderson	Gray	Moss
			Mont.	Green, Oreg.	Moulder
			Ashley	Griffiths	Murphy
			Ashmore	Gross	Murray
			Aspinall	Haley	Natcher
			Bailey	Hardy	Norrell
			Bass, Tenn.	Hargis	O'Brien, Ill.
			Beckworth	Harris	O'Hara, Ill.
			Bennett, Fla.	Harrison	O'Hara, Mich.
			Blatnik	Hays	O'Konski
			Blitch	Hébert	O'Neill
			Boggs	Hechler	Oliver
			Boland	Hemphill	Passman
			Bonner	Herlong	Patman
			Bowles	Hogan	Perkins
			Boykin	Holifield	Pfost
			Brademas	Holland	Philbin
			Bray	Huddleston	Poage
			Breeding	Hull	Porter
			Brock	Ikard	Price
			Brooks, La.	Irwin	Prokop
			Brooks, Tex.	Jennings	Pucinski
			Brown, Ga.	Johnson, Calif.	Quigley
			Brown, Mo.	Johnson, Colo.	Rains
			Burdick	Johnson, Md.	Randall
			Burke, Ky.	Johnson, Wis.	Rhodes, Pa.
			Burke, Mass.	Jonas	Rivers, Alaska
			Burleson	Jones, Ala.	Roberts
			Cannon	Jones, Mo.	Rogers, Colo.
			Carnahan	Karsten	Rogers, Fla.
			Carter	Karth	Rogers, Tex.
			Casey	Kasem	Roosevelt
			Chelf	Kastenmeier	Rostenkowski
			Clark	Kee	Roush
			Coad	Kilday	Rutherford
			Coffin	Kilgore	Saund
			Colmer	King, Calif.	Saylor
			Cook	King, Utah	Selden
			Cooley	Kirwan	Shipley
			Corbett	Kitchin	Sikes
			Curtin	Kluczynski	Sisk
			Davis, Ga.	Kowalski	Smith, Iowa
			Davis, Tenn.	Landrum	Smith, Kans.
			Dawson	Lane	Smith, Miss.
			Dent	Langen	Smith, Va.
			Denton	Lankford	Spence
			Diggs	Latta	Staggers
			Dingell	Lennon	Steed
			Donohue	Lesinski	Stubblefield
			Dowdy	Levering	Sullivan
			Downing	Libonati	Teague, Tex.
			Doyle	Losier	Thomas
			Dulski	McCormack	Thompson, Tex.
			Durham	McDowell	Thornberry
			Edmondson	McFall	Trimble
			Elliott	McGovern	Tuck
			Everett	McMillan	Udall
			Evins	Machrowicz	Ullman
			Fallon	Mack, Ill.	Vanik
			Fascell	Madden	Vinson
			Feighan	Magnuson	Wampler
			Fisher	Mahon	Watts
			Flood	Marshall	Weaver
			Flynn	Matthews	Whitener
			Fogarty	Metcalf	Wier
			Foley	Meyer	Winstead
			Forand	Miller, Clem	Yates
			Forrester	Mills	Young
			Fountain	Mitchell	
			Frazier	Monagan	
			Alford	Cahill	Frelinghuysen
			Andrews	Canfield	Gathings
			Anfuso	Celler	Glaime
			Barden	Cramer	Gubser
			Baring	Curtis, Mo.	Hall
			Barr	Derounian	Harmon
			Becker	Dollinger	Healey
			Bolling	Farbstein	Hoffman, Mich.
			Bosch	Fino	Kearns
			Buckley	Flynt	Kelly

NOT VOTING—69



Keogh  
McGinley  
Maillard  
Meador  
Miller,  
George P.  
Miller, N.Y.  
Moeller  
Moore  
Multer  
Pilcher  
Pirnie  
Preston  
Rabaut

Riley  
Rivers, S.C.  
Rogers, Mass.  
St. George  
Santangelo  
Scherer  
Scott  
Shelley  
Sheppard  
Slack  
Taylor  
Teller  
Thompson, La.  
Toll

Tollefson  
Utt  
Wainwright  
Weis  
Whitten  
Widnall  
Williams  
Willis  
Withrow  
Wolf  
Wright  
Zelenko

Durham  
Edmondson  
Elliott  
Everett  
Evins  
Fascell  
Fisher  
Flood  
Flynn  
Foley  
Forrester  
Fountain  
Frazier  
George  
Granahan  
Grant  
Gray  
Green, Oreg.  
Griffiths  
Gross  
Hardy  
Hargis  
Harris  
Hays  
Hébert  
Hemphill  
Hogan  
Hollfield  
Holland  
Huddleston  
Hull  
Ikard  
Jarman  
Jennings  
Johnson, Calif.  
Johnson, Colo.  
Johnson, Wis.  
Jones, Ala.  
Jones, Mo.  
Karsten  
Karth  
Kastenmeyer  
Kee  
Kilday  
Kilgore  
King, Calif.  
King, Utah

Kitchin  
Kluczynski  
Landrum  
Langen  
Lennon  
Lesinski  
Levering  
Libonati  
Loser  
McCormack  
McDowell  
McFall  
McGovern  
McMillan  
McSweeney  
Machrowicz  
Mack, Ill.  
Madden  
Magnuson  
Mahon  
Marshall  
Matthews  
Metcalfe  
Miller, Clem  
Mills  
Mitchell  
Montoya  
Moorhead  
Morgan  
Morris, N. Mex.  
Morris, Okla.  
Morrison  
Moss  
Moulder  
Murray  
Natcher  
Norrell  
O'Brien, Ill.  
O'Hara, Ill.  
O'Hara, Mich.  
O'Konski  
Oliver  
Passman  
Patman  
Perkins  
Pfost  
Poage

Porter  
Price  
Prokop  
Rains  
Randall  
Reuss  
Rivers, Alaska  
Roberts  
Rogers, Colo.  
Rogers, Tex.  
Roosevelt  
Roush  
Rutherford  
Saund  
Selden  
Shibley  
Short  
Sikes  
Slisk  
Smith, Iowa  
Smits, Kans.  
Smith, Miss.  
Spence  
Springer  
Staggers  
Steed  
Stubblefield  
Sullivan  
Teague, Tex.  
Thomas  
Thompson, La.  
Thompson, Tex.  
Thornberry  
Trimble  
Udall  
Ullman  
Vinson  
Wampler  
Watts  
Weaver  
Whitener  
Wler  
Winstead  
Young  
Zablocki

Van Pelt  
Van Zandt  
Wallhauser

Walter  
Westland  
Wharton

Wilson  
Yates  
Younger

## NOT VOTING—69

Alford  
Andrews  
Anfuso  
Barden  
Baring  
Barr  
Becker  
Bolling  
Bosch  
Buckley  
Cahill  
Canfield  
Cramer  
Curtis, Mo.  
Derounian  
Dollinger  
Farbstein  
Fino  
Flynt  
Frelinghuysen  
Gathings  
Gialmo  
Gubser

Harmon  
Healey  
Hoffman, Mich.  
Kasem  
Kearns  
Kelly  
Keogh  
McGinley  
Maillard  
Meador  
Miller,  
George P.  
Miller, N.Y.  
Moeller  
Moore  
Multer  
O'Brien, N.Y.  
Pilcher  
Pirnie  
Preston  
Rabaut  
Riley  
Rivers, S.C.  
Rogers, Mass.

St. George  
Santangelo  
Scherer  
Scott  
Shelley  
Sheppard  
Slack  
Taylor  
Teller  
Tollefson  
Utt  
Wainwright  
Weis  
Whitten  
Williams  
Willis  
Withrow  
Wolf  
Wright  
Zelenko

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley for, with Mr. Dollinger against.  
Mr. Rivers of South Carolina for, with Mrs. Kelly against.  
Mr. Preston for, with Mr. Healey against.  
Mr. Keogh for, with Mr. Baring against.  
Mr. Riley for, with Mr. Barr against.  
Mr. Rabaut for, with Mr. Fino against.  
Mr. Anfuso for, with Mr. Moeller against.  
Mr. Harmon for, with Mr. Becker against.  
Mr. Santangelo for, with Mr. Taylor against.  
Mr. Pilcher for, with Mr. Utt against.  
Mr. Farbstein for, with Mr. Hoffman of Michigan against.  
Mr. Williams for, with Mr. Frelinghuysen against.  
Mr. Celler for, with Mr. Meador against.  
Mr. Willis for, with Mr. Pirnie against.  
Mr. Multer for, with Mr. Canfield against.  
Mr. Whitten for, with Mrs. St. George against.  
Mr. Shelley for, with Mr. Widnall against.  
Mr. Sheppard for, with Mr. Scherer against.  
Mr. George P. Miller for, with Mr. Miller of New York against.  
Mr. Alford for, with Mr. Kearns against.  
Mr. Andrews for, with Mr. Bosch against.  
Mr. Scott for, with Mrs. Rogers of Massachusetts against.  
Mr. Zelenko for, with Mr. Curtis of Missouri against.  
Mr. Barden for, with Mr. Gubser against.  
Mr. O'Brien of New York for, with Mr. Moore against.  
Mr. Gathings for, with Mr. Maillard against.  
Mr. Slack for, with Mr. Derounian against.  
Mr. Wright for, with Mr. Tollefson against.  
Mr. Teller for, with Mr. Wainwright against.  
Mr. Toll for, with Mr. Gialmo against.  
Mr. Wolf for, with Mrs. Weis against.

Mrs. GRANAHAH and Mr. O'HARA of Illinois changed their vote from "nay" to "yea."

Mr. GLENN and Mr. BENTLEY changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Pirnie for, with Mr. Williams against.  
Mr. Hoffman of Michigan for, with Mr. Whitten against.

Mrs. St. George for, with Mr. Moeller against.

Mr. Taylor for, with Mr. Slack against.  
Mr. Frelinghuysen for, with Mr. Keogh against.

Mr. Canfield for, with Mr. Anfuso against.  
Mr. Miller of New York for, with Mr. Preston against.

Mr. Moore for, with Mr. Pilcher against.  
Mr. Becker for, with Mr. Celler against.

Mr. Cahill for, with Mr. Buckley against.  
Mr. Derounian for, with Mr. Alford against.

Mr. Baring for, with Mr. Thompson of Louisiana against.

Mr. Barr for, with Mr. Rivers of South Carolina against.

Mr. Gubser for, with Mr. Gathings against.  
Mr. Widnall for, with Mr. Rabaut against.

Mr. Scherer for, with Mr. Shelley against.  
Mr. Fino for, with Mr. Sheppard against.

Mr. Bosch for, with Mr. Santangelo against.  
Mr. Wainwright for, with Mr. Scott of North Carolina against.

Mrs. Weis for, with Mr. Riley against.  
Mr. Kearns for, with Mr. Harmon against.

Mr. Maillard for, with Mr. George P. Miller against.

Mr. Gialmo for, with Mr. Farbstein against.  
Mr. Tollefson for, with Mr. Willis against.

Mrs. Rogers of Massachusetts for, with Mr. Teller against.

Mr. Utt for, with Mr. Zelenko against.  
Mr. Meador for, with Mr. Wolf against.

Mr. Curtis of Missouri for, with Mr. Toll against.

Mrs. Kelly for, with Mr. Multer against.  
Mr. Dollinger for, with Mr. Barden against.

Mr. Healey for, with Mr. Andrews against.

Messrs. DADDARIO, HALPERN, REECE of Tennessee, and GALLAGHER changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 188, nays 177, not voting 69, as follows:

[Roll No. 79]

## YEAS—188

Abernethy  
Albert  
Alexander  
Andersen,  
Minn.  
Anderson,  
Mont.  
Ashmore  
Aspinall  
Avery  
Bailey  
Bass, Tenn.  
Beckworth  
Bennett, Fla.  
Bennett, Mich.  
Berry  
Blatnik

Blitch  
Boggs  
Bonner  
Bowles  
Boykin  
Brademas  
Breeding  
Brook  
Brooks, La.  
Brooks, Tex.  
Brown, Ga.  
Brown, Mo.  
Burdick  
Burke, Ky.  
Burleson  
Cannon  
Carnahan

Carter  
Casey  
Chelf  
Chenoweth  
Coad  
Cohelan  
Colmer  
Cook  
Cooley  
Davis, Ga.  
Davis, Tenn.  
Dawson  
Denton  
Diggs  
Dingell  
Dowdy  
Doyle

Abbitt  
Adair  
Addonizio  
Alger  
Allen  
Arends  
Ashley  
Auchincloss  
Ayres  
Baker  
Baldwin  
Barrett  
Barry  
Bass, N.H.  
Bates  
Baumhart  
Belcher  
Bentley  
Betts  
Boland  
Bolton  
Bow  
Boyle  
Bray  
Brewster  
Broomfield  
Brown, Ohio  
Broyhill  
Budge  
Burke, Mass.  
Bush  
Byrne, Pa.  
Byrnes, Wis.  
Cederberg  
Chamberlain  
Chlperfield  
Church  
Clark  
Coffin  
Collier  
Conte  
Corbett  
Cunningham  
Curtin  
Curtis, Mass.  
Daddario  
Dague  
Daniels  
Delaney  
Dent  
Derwinski  
Devine  
Dixon  
Donohue  
Dooley  
Dorn, N.Y.

## NAYS—177

Dorn, S.C.  
Downing  
Dulski  
Dwyer  
Fallon  
Feighan  
Fenton  
Fogarty  
Forand  
Ford  
Friedel  
Fulton  
Gallagher  
Garmatz  
Gary  
Gavin  
Glenn  
Goodell  
Green, Pa.  
Griffin  
Hagen  
Haley  
Hall  
Halleck  
Halpern  
Harrison  
Hechler  
Henderson  
Herlong  
Hess  
Hiestand  
Hoven  
Hoffman, Ill.  
Holt  
Holtzman  
Horan  
Hosmer  
Irwin  
Jackson  
Jensen  
Johansen  
Johnson, Md.  
Jonas  
Judd  
Keith  
Kilburn  
Kilwan  
Knox  
Kowalski  
Lafore  
Laird  
Lane  
Lankford  
Latta  
Lindsay  
Lipscomb

McCulloch  
McDonough  
McIntire  
Macdonald  
Mack, Wash.  
Martin  
Mason  
May  
Morrow  
Meyer  
Michel  
Milliken  
Minshall  
Monagan  
Mumma  
Murphy  
Nelsen  
Nix  
Norblad  
O'Neill  
Osmer  
Ostertag  
Pelly  
Philbin  
Pillion  
Poff  
Powell  
Pucinski  
Quile  
Quigley  
Ray  
Reece, Tenn.  
Rees, Kans.  
Rhodes, Ariz.  
Rhodes, Pa.  
Riehlman  
Roblson  
Rodino  
Rogers, Fla.  
Rooney  
Rostenkowski  
Saylor  
Schenck  
Schwengel  
Siler  
Simpson, Ill.  
Simpson, Pa.  
Smith, Calif.  
Smith, Va.  
Stratton  
Taber  
Teague, Calif.  
Thompson, N.J.  
Thomson, Wyo.  
Tuck  
Vanik



There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I have given the matter of the new wheat bill a great deal of thought and study. I have listened to all debates on this subject and have studied the terms of H.R. 7246, a bill by Mr. Cooley providing for a 2-year wheat production program. I have also studied the Belcher amendment and heard Congressman BELCHER discuss this amendment.

I am not satisfied with the committee bill nor am I satisfied with the Belcher amendment. I am not satisfied with either of these bills because they do not hold out to the country hope of early relief from the intolerable load which our Government is carrying in the way of accumulated surplus wheat. A million dollars per day for storage alone is a tremendous item to carry in a budget already "busting out" at its seams. A bill presented should offer earlier and more definite relief than either proposal presents.

In this country normally we should expect shortages of wheat rather than huge and increasing surpluses. Our population is growing at the rate of 3 million people a year. Our consumption of wheat and flour should be increasing yearly. The demand for wheat production should be constantly growing in the United States of America and I think, to be perfectly frank, it is on the increase.

The bad spot in reference to the consumption of wheat surpluses is the export field. In spite of our increasing production and in spite of the more prosperous condition of the economy of many parts of the world, our wheat exports are on the decline. Every indication points to further decline in exports of wheat in the future.

Consumption of wheat in this country has been on the increase but not rapidly enough. We have included flour in the free school lunch program as a surplus commodity. We have provided it as a surplus commodity for beneficiaries in the social security program, for hospitals and other charitable places generally, and we have included it in the overseas giveaway program. Our State Department would have you believe that it is pushing the sale of wheat in its general activities. In spite of all of these efforts to sell or even give away wheat and flour our surpluses continue to grow and the carrying charges for these surpluses continue to mount.

I can recall just a few years ago when our production of wheat seldom exceeded 1 billion bushels per year, and this included both winter and spring plantings. It seems however now that we practically never produce a yearly crop of wheat which does not exceed a billion bushels. The crop for instance for the current year is estimated at something like 1,200 million bushels. The figures for 1960 will probably be even greater so experts tell me.

With all of these high signs along the road that we have been traveling, it is time to take drastic action in the wheat program. The Government cannot continue to finance a commodity produced as has wheat been produced in the past.

The Belcher amendment has some good points. At the same time, the Belcher amendment would completely eliminate the small man with a 15-acre exemption. The committee bill in this respect would reduce the 15-acre exemption to 12 acres. It seems to me it is utterly unfair to a man who has been producing a few bushels of wheat each year under the 15-acre exemption to prohibit him from growing any wheat whatsoever and thus deny this production to him.

The committee bill reduces acreage by 25 percent. It has been estimated that this 25-percent reduction in acreage will bring about some 15- to 18-percent reduction in the number of bushels grown or harvested. Such a situation would assist in reducing the surpluses to some extent.

All in all the high signals of danger fly all around us. Unless the bill adopted today brings about a sharp immediate curtailment, the agricultural section and the economy of this country are in for an economic storm.

Mr. COFFIN. Mr. Speaker, although I am not an expert in agricultural matters, I want to set forth for the record my position on the agricultural issues faced by us this past week. I am today voting against both the motion of the gentleman from Oklahoma [Mr. BELCHER] to recommit this wheat bill and against final passage. On Wednesday, I took similar action on the tobacco bill.

This I do to signal my deep conviction that neither measure moves far, if at all, toward a tolerable policy. But I have a deeper conviction that we have not done all that we should have done to probe deeply into the entire field of national agricultural policy. When I voted with the committee a year ago for a price freeze, it was upon the commitment that this would give us a year within which to come up with an overall farm program.

Even though the freeze was vetoed, we still had the intervening year in which to take a long look at our future needs, our past mistakes, and the alternative approaches open to us. It seems to me we should have begun by the preparation of a comprehensive agenda, proceeded to accumulate the facts in an orderly manner, and seek out the reasoned opinions of agricultural economists, historians, statisticians, land-grant college experts, and others. This could have been done in an atmosphere free of acrimony over the present issues which divide reasonable men in a climate of unreasonableness.

Building on the foundation of a broad, unimpeachable study of the probable consequences of various policy approaches—which does not exist either in the offices of the executive branch or the Halls of Congress—is it beyond hope that solutions could be reached to which most could agree? I think this is not beyond reach. In any event, the attempt should be made with the utmost determination to reach solutions.

It is with this faith in the orderly mental processes that I have recently introduced House Resolution 291, which calls for such a study.

It is because this type of approach has not been vigorously or imaginatively pursued, that I vote against both wheat proposals as being patchwork gestures, differing only in the degree of their futility.

Mr. Speaker, my simple observation, to adapt a line from "My Fair Lady," is: our brain on grain has been mainly used in vain.

Mr. MORRIS of Oklahoma. Mr. Speaker, on this date, June 12, 1959, I voted for H.R. 7246 the wheat bill, as it was the only real choice I had since my amendment was defeated; but if I could have my way, I would not enact any wheat bill that would cut the price, below at least 90 percent of parity one penny, nor the present acreage one fraction of an acre of the small farmer. I would allow him an ample amount to assure him of a return, as to his wheat raised, of enough to make a good living for himself and family. And I would allow also, sufficient guaranteed price and acreage to even larger farmers and would make the cuts as to price and acreage against the big big business farmer. This would be only fair and just and would help solve the wheat problem.

Mr. NELSEN. Mr. Speaker, relative to the wheat legislation, I might comment that the Second Congressional District is not predominately a wheat area, but we all subscribe to the theory that any segment of our agricultural economy has a direct connection with all of its related commodities.

During the past many years, agricultural programs have become political vehicles to a great extent. Frequently, fundamental economics have been ignored and instead political expediency has become the rule rather than the exception. On June 5, a letter reached my desk relative to the tobacco legislation, and taking from the letter paragraph two:

If the price of our tobacco is to be stabilized in the world markets, this bill must be enacted at this session. The President and the Secretary of Agriculture have said time and again that under the present system our tobacco is being priced out of the world market. Under the present program, price supports for tobacco will continue to rise, which will be ruinous to our export trade.

Every Member of Congress representing the major tobacco-growing districts and all segments of the tobacco industry, the growers, warehousemen, tobacco dealers, buyers, and exporters agree with the President and the Secretary that price supports on tobacco should be stabilized and favor immediate passage of the Jordan-Cooper bill.

This letter was signed by over 30 Congressmen representing tobacco-growing areas and included the name of HAROLD COOLEY, the chairman of the Committee on Agriculture. When this letter came to my attention, I was encouraged because it expressed a recognition of sound economics and a realization of the fact that in order to enact a sound program, many factors had to be taken into consideration. I listened to the debate on the wheat bill on the floor and again was encouraged by the fine presentation of Congressman ALBERT, in which he called attention to the give and take necessary and also pointed out the wide



difference of opinion that existed among farm organizations as to the type of legislation acceptable and effective. Congressman BELCHER presented his point of view in a fair and reasonable manner—both champions recognizing the need of compromise and the possibility that some amendments could with profit be considered.

In my own case, I happen to be a farmer, I am proud of it and I personally would not want to support any program that is unfair. I have never negotiated a commodity loan of any kind on the products from my farm, but I do know that some sort of program is necessary for the stabilization of the agricultural economy and I also know some safeguards are necessary in this field because of the disaster that might befall our entire domestic economy because of a weak link. In this case the weak link could be agriculture. When the session started, a number of us who are not members of the Agriculture Committee did a little research work, had some meetings to discuss ways and means of accomplishing something in the field of agriculture. We studied the committee proposals, the minority reports, and came on the floor with the feeling that there was a chance that some constructive amendments might well be considered in the interest of a wholesome, sound program.

In my own case, I feel that the so-called Belcher amendment did not meet all of the requirements necessary. I also feel that the committee bill was not the measure that could do the most good in the wheat problem that we face. I personally had some amendments that I would like to have offered, as did other Members of the House of Representatives, but all of us were thoroughly disappointed at the action that was taken on the floor by the Democrat majority, when all debate and discussion on amendments that we might wish to offer was cut off.

In the 20 years that I have been associated with Government, in the legislative branch I have never witnessed or experienced as helpless a situation as was our misfortune to experience in the Democrat move to cut off debate on this measure.

Those of us who are not members of the Committee on Agriculture listened attentively to the discussions and explanations and the amendments that were offered when the wheat bill came to the full House.

Some of us certainly had in mind that following the discussion we would have an opportunity to suggest improvements to the measure under the established rules of the House if we felt then that improvements were necessary.

We sit in a branch of the most important deliberative body in the world, each of us representing voters in a congressional district.

As Members of Congress we are not paid to come down here for a joyride, or to fish for catfish in the Potomac. We are down here to do something about the problems facing our Nation, and it is tragic and unfair when the Democrat majority can deny us the opportunity to

help solve one of the biggest problems facing our Nation, namely the farm problem.

It makes mockery of our legislative process to be told you can submit an amendment, but not say one word in explaining it. To me it seems grossly unfair.

With reference to the Belcher amendment, experience indicates that the 15-acre grower has contributed to a great degree to the national problem of surplus, and I feel there is justification for readjustment in that field, but I would also like to suggest that the larger producer should likewise be asked to cut back in his production acres. Such an amendment would have been very easy to draft.

In the instance of the committee bill, the scale tipped the other way, where, in the case for the purpose of example, a 20-acre producer would be asked to reduce 25 percent, and a 15-acre producer would be asked to reduce 20 percent, and it would seem to me that in this case the requirements went to the opposite extreme.

Relative to the payment in kind, which permitted a producer to collect a third of his normal production on acres reduced, the big grower that we talked so much about would be given a 90 percent of parity price support for complying with reduced acres, and in addition would be paid by a certificate representing in bushels of wheat one-third of the production on the reduced acres. He again in turn could put this certificate on the market, and for the purpose of an extreme example, a producer in the large bracket, of which we may find many who have benefited by a loan of over \$200,000, could conceivably be collecting payment in kind in the amount of over 3,000 bushels, worth some \$7,500. For all practical purposes the committee bill denied payments in kind on those farms which are affected by the 15-acre exemption.

The only way these small farms would be eligible for the payment in kind under the bill would be if such farms complied with their allotments. As a matter of fact, over 840,000 farms have allotments of less than 5 acres. Very few, if any, of these farms comply with their allotments, since they take full advantage of the exemption. One of my amendments was designed to make payments in kind for the total exemption during a specified period and thus alleviate to a large degree the effect that this exemption has had on the surplus situation in wheat and on the shift of wheat production from the normal wheat-producing areas. My amendment contained a limitation which would have denied a windfall to the large producer while removing by incentive the small farm production which has been one principal factor in the present surplus situation.

Relative to an appraisal of the bill under consideration, I would like to call attention to the minority report in the RECORD, and also to quote in conclusion the additional minority views expressed by my two distinguished colleagues, Congressmen QUIE and SHORT:

#### ADDITIONAL MINORITY VIEWS

H.R. 7246 does not provide the necessary legislative machinery to either implement an effective control of wheat production or to provide an acceptable choice to wheat farmers. We feel that several fatal defects exist in this bill which purports to offer the choice of strict controls and high price supports or free production and low price supports. These defects are as follows: First: The evidence is clear that a 25-percent reduction in farm wheat acreage allotments, when coupled with payments in kind in wheat, simply will not cut into the excess production of wheat. At least a 30-percent reduction seems necessary to begin to effectively do the job. Second: As pointed out in the minority views, H.R. 7246 does not require strict cross-compliance, a feature which is absolutely essential if there is to be true and effective control of the acreage retired from wheat production so as to prevent an adverse effect on other commodities. Third: Although this bill reduces the 15-acre farm marketing quota exemption, it continues in existence a loophole in the law which has caused an estimated 600 million bushels of wheat to accumulate in Government storage bins. Since the bill imposes strict penalties for overproduction on farmers in the commercial wheat area where wheat is often the best crop which a farmer can raise, it seems only just that the present 15-acre exemption be repealed and thus require all producers to conform to their allotments. Fourth: Agricultural history during the last 25 years has been a sad testimonial to the fact that acreage controls alone are not effective tools in controlling the production of farm commodities. In spite of this experience, H.R. 7246 continues to attempt to control wheat production on the sole basis of acreage allotments. We feel that if legislation is to give the farmer an effective control program it should and must embrace a combination of bushelage and acreage allotments. Fifth: The alternative offered wheat farmers in the referendum means price support at 50 percent of parity or \$1.18 per bushel. We feel this is too low and the choice should be more in line with that offered to corn farmers in their referendum held last fall. We also feel that one referendum would be sufficient for the 2 years that H.R. 7246 is to be in effect.

ALBERT H. QUIE.  
DON L. SHORT.

#### WHEAT PROGRAM FOR 1960-61

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1968) to strengthen the wheat marketing quota and price support program and for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:*

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The Secretary is authorized and directed to offer the operator of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, a choice of—



"(A) complying with the farm acreage allotment determined pursuant to the Agricultural Adjustment Act of 1938, as amended, with price support at 65 per centum of the parity price therefor, or

"(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or

"(C) reducing the acreage of wheat below the farm acreage allotment by not less than 20 per centum of such allotment with price support at 80 per centum of the parity price therefor.

To be eligible for price support, producers who elect choice (B) or choice (C) must not knowingly exceed the wheat acreage for the farm applicable under such choice. Any person operating more than one farm, in order to be eligible for either choice (B) or choice (C), must elect such choice for all farms for which he is the operator. The Secretary shall determine and announce the support price for producers who elect choice (A), choice (B), and choice (C), respectively, in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative choices available to him. The operator of each farm, within the time prescribed by the Secretary, shall notify the county committee in writing whether he desires choice (B) or choice (C) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have elected choice (A). The choice elected by the operator shall apply to all the producers on the farm. Price support under this section shall be made available only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3). Whether marketing quotas are approved or disapproved, price support shall be made available only if acreage allotments under the Agricultural Adjustment Act of 1938, as amended, are in effect for the crop and only to cooperators. No price support for wheat shall be made available to producers outside the commercial wheat-producing area. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat in order to be eligible for price support as provided in choice (B) or choice (C) shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 2(f) of the Wheat Act of 1959, relating to reduction of the storage amount of wheat, the acreage of wheat determined by the Secretary to have been diverted in order to be eligible for price support as provided in choice (B) or choice (C) shall be regarded as wheat acreage of normal production on the farm. For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 per centum of the parity price as of the beginning of the marketing year."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be a rate per bushel equal to the support price per bushel established for producers electing choice (A) under section 106 of the Agricultural Act of 1949, as amended.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double and normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended, shall not be

applicable to the 1960 and 1961 crops of wheat.

(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment; an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

(g) Section 335(d) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

SEC. 3. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

SEC. 4. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed \$35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation. In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of \$35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation."

SEC. 5. This Act may be cited as the "Wheat Act of 1959".

Mr. COOLEY. Mr. Speaker, I offer an amendment to strike out all after the enacting clause and to substitute the language of H.R. 7246 as passed by the House.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Strike out all after the enacting clause of S. 1968 and insert the provisions of H.R. 7246 as passed by the House.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar bill, H.R. 7246, was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the bill S. 1968 to strengthen the wheat marketing quota and price support program, request a conference with the Senate, and that the Speaker appoint conferees.



The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, ALBERT, HOEVEN, DAGUE, and BELCHER.

#### MEMBERS OF THE UNITED STATES DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Public Law 86-42, the Chair appoints as members of the U.S. delegation of the Canada-United States Interparliamentary Group the following Members on the part of the House: Mrs. KELLY of New York, Chairman; Mr. COOLEY of North Carolina; Mr. ASPINALL of Colorado; Mr. YATES of Illinois; Mr. IKARD of Texas; Mrs. SULLIVAN of Missouri; Mr. COFFIN of Maine; Mr. DULSKI of New York; Mr. MERROW of New Hampshire; Mr. FORD of Michigan; Mr. BUDGE of Idaho.

#### MUTUAL SECURITY PROGRAM

Mr. JUDD. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file minority views on House Concurrent Resolution 188.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

#### COAL RESEARCH AND DEVELOPMENT ACT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 284 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

#### PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from Indiana.

Mr. HALLECK. I take this time for the purpose of inquiring of the majority

leader as to the program for next week.

Mr. McCORMACK. Prior to giving the program, if the gentleman will yield, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I further ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. In response to the inquiry of my friend, as I stated yesterday, on Monday the Consent Calendar will be called and then there are six suspensions: One, relating to the acquisition of land in Guam; another modifying the pension program of veterans; a bill authorizing appropriations for the Atomic Energy Commission; extension of interstate compacts on oil and gas; airline pass privileges; and one providing for payment of annuities to widows and dependent children of Comptrollers General. They may not be brought up in that order. Then after that the Mutual Security Authorization Act of 1954, H.R. 7500, will be brought up. After the disposition of that bill, the following bills will be in order: S. 1120, amending the Federal Reserve Act; H.R. 3, rules of interpretation in relation to State laws; H.R. 4957, a bill relating to the admission of evidence. I think that is in reference to the Mallory decision.

Then there is the usual reservation that any further program will be announced later and that conference reports may be brought up at any time.

Mr. HALLECK. Now, as to the balance of the day, I understand we are to proceed with the bill to create a Commission for Coal Research.

Mr. McCORMACK. Yes.

Mr. HALLECK. Originally, there had been an agreement about no votes today, which, of course, was breached when things developed as they did yesterday, and we all understand that. I have been asked, I might say to the majority leader, what might happen if a record vote should develop in respect to the Coal Commission matter, whether that might go over until Monday.

Mr. McCORMACK. I am sure my friend from Indiana and all Members of the House know that I am only too glad to cooperate even when I might be subject to a little uncomfortable admonition that I do not think I deserve, but I do not apologize for that, but I always like to do everything I can to help the Members of the House. As far as I am concerned, if there is any rollcall on that bill, I am perfectly willing to have it go over until Monday. I cannot give the reason I gave yesterday for no rollcalls today, which was a very perfect and proper one. I can say that there are some Members on both sides who are away on official business, I think attending Kings Point Academy in New York,

both Democrats and Republicans, and I think we should have consideration for those Members.

Mr. HALLECK. I might add to that fact that a great part of the business today would not have occurred but for things which developed yesterday. However, that is beside the point.

Mr. McCORMACK. In order to clarify the atmosphere so that we will know, Mr. Speaker, in the event of any rollcall in connection with the research bill on coal, or any rollcall today, I ask unanimous consent that they be postponed until Monday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Reserving the right to object, Mr. Speaker—well, I will just simplify this by objecting.

Mr. McCORMACK. Will the gentleman reserve that?

Mr. GROSS. Yes, I reserve it.

Mr. McCORMACK. The gentleman intends to object?

Mr. GROSS. Yes.

Mr. McCORMACK. I withdraw the request, Mr. Speaker.

#### COAL RESEARCH AND DEVELOPMENT ACT

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and myself such time as I may consume.

Mr. Speaker, House Resolution 284 provides for the consideration of H.R. 6596, which would encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes. The resolution provides for an open rule with 1 hour of debate.

H.R. 6596, as amended by the Committee on Interior and Insular Affairs, creates a new independent agency to be known as the Coal Research and Development Commission. The Commission will consist of three members appointed by the President with the advice and consent of the Senate for 3-year terms.

The Commission would be directed to carry out a research program to, first, develop new and more effective uses for coal; second, improve and expand existing uses for coal; third, reduce the cost of coal production and distribution; and fourth, emphasize those developments in uses for coal of particular value to small coal producers. The Commission would be authorized, to first, conduct research projects; second, contract for, sponsor, cosponsor, and promote the coordination of research projects carried out by others; and, third, collect and promote the coordination of all available coal research information. The Commission would be prohibited from conducting research projects itself unless it is unable reasonably to contract or otherwise provide for such research by others, and no research would be undertaken or conducted unless all of the information developed therein would become available to the public.



Cooperation to the fullest extent possible with all other research agencies, governmental and nongovernmental, is directed; duplication of research by the Commission is prohibited, and consultation on proposed projects is required. Reports would be submitted by the Commission to the President and Congress semiannually.

The salary of the Chairman would be \$20,500 a year and of the Commissioners \$20,000 a year. The principal office of the Commission would be in the District of Columbia, and the Commissioners would be selected from persons experienced in industrial-type research activities. The Commissioners must give their full time to the work of the Commission, and they and their employees may have no financial interest in any firm engaged in coal mining or related or competitive businesses. The Commission's employees generally would be appointed and paid in accordance with the civil-service laws and the Classification Act of 1949.

An appropriation of not more than \$2 million is authorized by the bill for the fiscal year beginning July 1, 1959. Additional sums as needed for the following years are also authorized.

In the 84th Congress, the Committee on Interior and Insular Affairs took note of the depressed economic condition of the coal industry and conducted a study of the possibilities of a coal research program as authorized by House Resolution 400. The special subcommittee, following conclusion of its hearings in 1956 and 1957, stated that the opportunities for developing new and more effective uses for coal through research are virtually unlimited, and recommended that the research program be administered through an independent agency.

A strong, healthy coal-mining industry is acknowledged to be essential to the economic welfare and security of the United States. It is because of the Bureau of Mines' exclusion of research and development activities which would aid in promptly improving and strengthening an impoverished industry that the coal-mining industry at large has found it necessary to advocate and urge that an expanded coal research and development program designed to meet its needs be conducted by a new agency of the Federal Government separate and apart from the Bureau of Mines and the Department of the Interior.

H.R. 6596, which has the support of the coal industry, is designed to meet this need; therefore, I urge the adoption of this resolution.

Mr. ALLEN: Mr. Speaker, I am not opposed to this rule or the bill itself, but I feel I should make just a few observations. This bill, of course, if passed, would create a new agency, a new commission. Personally, I do not like to see that happen. I think we have enough commissions and bureaus now. Also on page 6 of the bill there is expressed what I believe to be a new philosophy of government. It says:

The Commission is authorized to acquire by condemnation, purchase, lease, or otherwise such real property as may be necessary to enable it to carry out its duties under this act.

That certainly gives them a lot of power. There is no limit to it, except they must come before the Committee on Appropriations. As far as I have been able to learn, the coal operators and the Department of the Interior are now conducting tests. That is a function of the Department of the Interior. I realize the coal industry is in a serious condition. That is also true of the lead and zinc industry. It is true of the copper industry. It is true of the fisheries industry. It is also true of the textile industry. Just recently the textile industry had a commission appointed under the Department of Commerce to look into that industry.

The administration favors the objective of this bill. They appreciate the coal industry is in a bad condition, but they feel, and I think they are justified in so feeling, that this should come under the jurisdiction of the Department of the Interior.

I might add, also, that the Bureau of the Budget is opposed to this bill.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield.

Mr. BROWN of Ohio. I believe the gentleman from Illinois will agree, as will also the gentleman from Arkansas [Mr. TRIMBLE] that this bill, when it was first called before the Committee on Rules, was not reported; but later it was reported after an understanding had been reached that an amendment would be offered by the chairman of the committee having jurisdiction, the Committee on Interior and Insular Affairs, to limit the life of the Commission to 5 years; is that correct?

Mr. ALLEN. That is correct. The chairman of that committee is present and perhaps would care to answer that question.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield?

Mr. ASPINALL. The gentleman's understanding is correct. The chairman of the Committee on Interior and Insular Affairs not only will offer the amendment, but he will fight for it.

Mr. BROWN of Ohio. If the gentleman will yield further, as I understand it, the cost would be \$2 million a year for a 5-year period; is that correct?

Mr. ASPINALL. The gentleman is not entirely right. It would be \$2 million for the first year, and then it will depend upon the decision made by the Committee on Appropriations, after seeing how moneys are justified before the committee with regard to the second, third, fourth, and fifth years.

Mr. BROWN of Ohio. Any further expenditures above the \$2 million for the first year would have to be justified before the Committee on Appropriations?

Mr. ASPINALL. It would have to be justified before the Committee on Appropriations, then recommended by that committee to the House, and then the House would have to vote on it.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, the coal industry is one of the major industries of our Nation. It is a basic industry, the cornerstone of the greater part of all industry in the United States. Coal is mined in more than half the States of the Union. Even with the anticipated development of nuclear power, it will require an expansion of at least 50 percent in the next 20 years in the production of bituminous coal to satisfy the energy requirements of the United States. The most effective development of that industry, therefore, is vital in the national interest.

For such development, a major research program on a national scale is essential. H.R. 4927 provides for such a research program, with appropriate agencies for its implementation. The functions and duties of the commission therein provided are as follows:

First. To develop new and more effective uses for coal.

Second. To improve and expand existing uses for coal.

In my view, these are of outstanding importance and should engage the major attention of the commission. As our resources of natural gas and petroleum decline, as they inevitably will, and we are more dependent on imported oil, it becomes vital to our national welfare that the best and widest possible utilization of coal be developed.

A strong statement has been made on the need for a Federal research program for coal, by one of the outstanding and progressive business leaders of western Pennsylvania, Mr. William L. Wearly, president of the Joy Manufacturing Co., of Pittsburgh, Pa.:

As our energy needs expand sharply in the years ahead our national security and welfare will become increasingly dependent upon coal. Further, coal is one of America's great natural resources. Though the coal industry now is investing heavily in the future, a research program sponsored by the Federal Government to expand the utilization of coal seems to be an important element for the ultimate growth of this industry.

The third function of the Commission is to reduce the cost of coal production and distribution. In view of the accomplishments of the industry, there is presently little need for extensive action by the Commission in this field. The job that the coal operators, the manufacturers of coal mining machinery, and the United Mine Workers have done in reducing costs and improving coal mining productivity and safety is without parallel anywhere in the world.

In 1948, according to the U.S. Bureau of Mines, the bituminous coal industry employed 441,631 men. In 1958, that employment had dropped to 188,500. In 1948, output per man per shift was reported by the Bureau at 6.3 tons, but in 1958, it had risen to 11.3 tons. This is the average for all mines, including hundreds of small, local, truck mines, but in the latest developed mines equipped with the newest types of high capacity mining machinery, some of it remote-controlled, the output per man per shift has risen to 40 tons, 50 tons, and even higher outputs per shift for every man on the payroll. In 1948, the average earnings of



measures, particularly those relating to business and finance.

President Washington made a wise choice in selecting Sam Osgood to be the first Postmaster General. He had met and known Osgood during the Revolutionary War, and had great confidence in his executive ability. That confidence was well repaid. Osgood applied himself to the difficult task of organizing the Department, contracting for the carrying of the mails over certain prescribed routes, and preparing rules for the efficient operation of this fundamental service. The postal affairs of the country were in a very chaotic state. By the sheer strength of his administrative talents, Osgood developed a Government department that would benefit the whole people, despite congressional inertia in providing the necessary funds to extend and expedite the postal service.

Samuel Osgood was not only the first Postmaster General; he was one of the first members of the Continental Congress; with the first Commissioner of the Treasury; and was one of the first to fight for the independence of our country.

Commemorative stamps have been issued in honor of various individuals and events. I think that the time has come for the U.S. Post Office Department to take pride in its own history and achievements by authorizing a special stamp in tribute to Samuel Osgood, who organized the Department and established the high standard of leadership that has been an example and an inspiration to it ever since.

I am confident that the Congress will heartily approve of this honor to Sam Osgood; minuteman of Concord and Lexington, public servant, patriot, and father of our postal service.

#### FACTS ABOUT AMENDMENTS WHICH WOULD MAKE WHEAT BILL WORKABLE

(Mr. QUIE, at the request of Mr. COLLIER, was given permission to extend his remarks at this point in the RECORD.)

Mr. QUIE. Mr. Speaker, if we are to allow wheat farmers to receive a 90 percent of parity price support for their crop, acreage controls on their production must be imposed.

During the debate on this legislation yesterday, I offered a number of amendments which were designed to make H.R. 7246 a workable bill.

Unfortunately, due to a gag rule imposed by the majority, I will be unable to explain my amendments—and thus the amendments were doomed to defeat.

In order that Members of the House and the other body might have the opportunity to learn the facts behind the amendments I offered—and thus understand them—I have extended my remarks in the Appendix of today's RECORD.

I hope that the remarks will be read by every Member of Congress in order that better understanding will result from a study of the facts I present.

#### CORRECTION OF ROLLCALLS

Mr. PRICE. Mr. Speaker, on rollcall No. 54 of Tuesday, May 26, I am recorded as having failed to answer to my name. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MOULDER. Mr. Speaker, rollcall No. 75 of June 10, on a motion to recommend, records me as not voting. I was present and voted "nay," and I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### INVESTMENT BANKER OBJECTS TO REMOVING THE INTEREST-RATE CEILING ON TREASURY BONDS, BECAUSE HE DISAPPROVES OF THE ADMINISTRATION'S POLICY OF CONTINUALLY CUTTING THE PRICE OF ITS BONDS

(Mr. PATMAN (at the request of Mr. JOHNSON of Maryland) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, some of us may have assumed that investment bankers approve of the mess this administration has created in managing the public debt. If so, this seems not to be the case. I have a letter from a prominent investment banker who most emphatically opposes removing the interest-rate ceiling on Treasury bonds—as the administration is asking—because he disapproves of the administration's policy of continually cutting the price of Government bonds.

Shortly after the elections in 1952, Mr. W. Randolph Burgess, who was then chairman of the executive committee of the National City Bank of New York, came to Washington and organized an advisory group that was later to serve under him in his post as President Eisenhower's Deputy Secretary of the Treasury. Mr. Burgess, with this group of advisers, is the architect of this administration's hard-money, high-interest policy, though Mr. Burgess has now left the Treasury. This high-interest, tight-money policy is one of the worst and most devastating features of the trickle-down theory of Government.

On June 12, 1953, in a speech at Rutgers University, Mr. Burgess stated:

We have assured the Reserve System that it is the boss on monetary controls.

It is my belief that this statement, which was made long before President Eisenhower made a similar announcement, was the beginning of the mess the national debt is now in.

President Eisenhower made what I believe to be a serious mistake when he

took the position that the Federal Reserve is a separate and independent branch of the Government. According to my interpretation, it is the President's duty, as specified in section 2 of the Constitution, to take care that the laws be faithfully executed. The Federal Reserve Act is a law. It was passed by both Houses of Congress and signed by the President. How President Eisenhower can excuse himself from the obligation to take care that this law be faithfully executed, I am unable to understand.

It happens, however, that the Federal Reserve's policies have been the same as those of the monetary managers in the administration. I wonder if the Federal Reserve would have been given such a prominent and independent status by this administration if the members of the Board had entertained different views?

In any case, whoever is responsible, the result has been that interest rates have been going higher and higher and higher. And by reason of high interest, the budget has been going higher and higher. And by reason of the budget going higher and higher, the Congress has been compelled to raise the national debt limit.

Now, Mr. Martin, Chairman of the Federal Reserve Board, says that the going rate of interest on long-term securities is 4½ to 5 percent. This is, in effect, saying that the present administration has placed our national debt on a basis of cost of interest at more than \$13 billion a year. In other words, when all of our national debt is refinanced on the basis of present interest rates—rates raised by deliberate actions of the administration and the Federal Reserve—it will cost the taxpayers over \$13 billion a year to carry, which is approximately \$5 billion more than the present, excessive, cost.

Congress should take a good look at the Federal Reserve System. It is true that the Federal Reserve System, supported by the commercial banks of the country, has been successful in stopping all proposals for an all-out congressional investigation of their activities. Many of us know why they are opposed to such an investigation. They are going to hide as long as they can from the American people and from Congress the things they are doing.

The letter from the investment banker to which I referred is as follows:

JUNE 9, 1959.

We in the investment banking industry are extremely alarmed at the mechanical procedures currently employed by the Federal Government in the marketing of U.S. Government bonds and obligations.

This morning in the newspaper a rather sensational news release reported that the Federal Government was in the process of not only raising its gross bonded debt limit but was also actively engaged in raising the maximum interest rate which Government bonds might bear. This Government policy of continually cutting the price is as serious a financial problem as the commodity storage problems and all other fiscal problems. Money is a commodity and the U.S. Government is in the business of selling this commodity, not only to its various agencies but to the people of this great country. In the marketing of any commodity the con-



tinuous reduction of price can lead only to disaster and the chaotic position wherein the commodity no longer has a retail sales market. It would appear that we are approaching this position in the marketing of Government bonds.

As an example, if the Federal Government was interested in selling wheelbarrows and continually stated that while it was selling wheelbarrows today for \$100, it would be selling the same wheelbarrow 3 months from now at \$80, I believe it would be obvious that no one would buy at today's price. Everyone would wait until the 3 months had expired and buy at a reduced price. The bond sales procedures are doing exactly the same thing. The Government is advising that while today's bonds carry a 4-percent interest rate that tomorrow's bonds will carry 4½ percent or higher. We employ a most amateurish procedure in continuously cutting the price in an attempt to sell our product.

Recent figures show that one of the major expenses of Government operation is the interest cost of money borrowed. The continuous increase in this interest cost must stop. It would seem a wise and prudent decision if serious consideration might be given to better packaging the product rather than continually cutting the price.

In the investment banking industry the principal responsibility is the selling of stocks and bonds. If we employed the same attitude in the selling of municipal and corporate bonds as is currently followed by the U.S. Government in selling Government bonds, sales would decline to nothing and public acceptance of securities would cease. The simile is exact.

A better packaging of Government obligations could well be accomplished to the end that Government bonds would be better received without the costly process of increasing interest rates. Good publicity as to the retirement of debt would be a tremendous psychological effect on the future sales of Government bonds. Gross national product is at an alltime high. Gross Federal income from all tax sources will be at a record figure. Careful and designed employment of even a small portion of this national income toward debt retirement would help national bond sales. As a smalltown Kansas banker remarked, "We would at least be servicing our loan."

Better programing of bond maturity schedules would create a better product in national financing. In the investment business the demand details of investment change from month to month insofar as the buying public is concerned. Our Federal program has apparently been based upon a presumed opinion that the bond buying attitude of investing Americans is a static thing and exists without change. This simply is not a fact. As a positive example, a few months ago midwestern and eastern banks were buying reasonably short bond maturities. Currently these same investors are buying 9- and 10-year maturities. The Federal Government might well get the feel of investing Americans and program its bond issuance to satisfy its customers.

The bond situation of the Federal Government is approaching a disastrous status and this status could be eliminated through the employment of more realistic procedures and by a better feel of the pulse of the average American who has money to invest in Government bonds.

I hesitate to write this long a letter in view of the demands on your time; however, U.S. Government bond sales procedures is being processed in a manner which develops less and less confidence in Government bond investment and which is continuously leading to greater and greater interest costs.

If actual examples and figures on this subject would be of aid to you in pursuing this problem, please let me know. My firm will

devote time, thought, and energy toward consolidating facts for your use. We are sincerely, thoroughly, and completely aroused by the bond issuing activities presently pursued by the Treasury Department.

Your thought into this matter will be appreciated. The problem is a national problem. The processing of a solution will require thought and dedicated activity.

#### NAT WATTS, OF NAPLES, TEX.

Mr. PATMAN. Mr. Speaker, former mayor of Naples, Tex., N. G. Watts, was honored recently by the people of that fine town, who appreciate him as a good, public-spirited, civic-minded, patriotic citizen. I have personally known Nat Watts all my life. He is one of our greatest and most outstanding citizens. He is a great American.

The Naples Monitor, which has been published at Naples, Tex., for the past 73 years, in a front-page editorial immediately after a large picture of Mr. Watts stated:

#### UNCLE NAT WATTS WILL BE HONORED MAY 14

N. G. Watts, former mayor and longtime supporter of Naples, will be honored with a communitywide party on his birthday May 14.

Mrs. J. M. Lasater originated the idea and the chamber of commerce agreed at its meeting Tuesday night to sponsor it.

An open house will be held from 3 until 5 p.m. on May 14 at the City Cafe. All of his friends, both locally and out of town, will be invited to attend.

The day will be designated by Mayor W. A. Giles as "N. G. Watts Day."

Watts was born in Jefferson and moved to Belden, now Naples, as an infant.

He attended a one-teacher school here for his only formal education and then went to work for a livery stable at \$20 a month. He quit for a job with the Cotton Belt Railroad at the same pay.

An ambitious young man, he began the publication of the Omaha Siftings, the largest paper in Morris County at the time.

He later closed the shop and started out for nowhere in particular and ended up in Boyce, La. He bought a printing plant there and began publication of the Boyce Enterprise, then the smallest publication in the State.

He lasted 4 years and during that time was twice elected mayor.

He left Louisiana and went to St. Louis where he worked for a paper box making plant, a real estate office, and as a carpenter before going back to the printing business, again establishing a publication, the National Business Index.

At St. Louis, he took an examination for a job with the civil service as a printer, received an appointment, but hesitated for some time before accepting because he was not sure he could do the job.

He did well enough that he continued for 35 years, ending his career as instructor of printer apprentices.

During his travels and long absence, Naples was his home and he never let anyone forget it. He returned here when he retired and probably will be here until "the finish," he says.

Watts is now or has been a member of the Methodist Church, Eastern Star, Business Women's Club, Naples Garden Club, PTA, chamber of commerce and its president, a director of the East Texas Chamber of Commerce, the North and East Texas Press Association, Texas Editorial Association, Red River Valley Association, Glass Club Lake, the Brahma Booster Club, and almost every other civic organization open to him.

He was a director of the Broadway of America Association, president of the Highway 77 Association, a member of the Morris County school board and chairman of the Morris county ration board.

He was commissioner of the Texas Centennial of Statehood, a member of the committee which promoted Big Bend National Park, and is a life member of the San Diego Heaven on Earth Club.

He was reemployment committeeman of Selective Service for Morris County, chairman of Morris County for celebration of the President's Birthday for Infantile Paralysis, a member of the Naples Boots and Saddle Club and of the Texas League of Municipalities.

He has made three trips with good neighbor delegations to Mexico and attended all but one or two State Democratic conventions since returning to Texas.

Watts is a former publisher of the Naples Monitor who kept it alive at one time by making up its losses.

#### THE PLASTIC BAG DANGER

(Mr. ADDONIZIO (at the request of Mr. JOHNSON of Maryland) was given permission to extend his remarks at this point in the RECORD, and to include a news article and editorial.)

Mr. ADDONIZIO. Mr. Speaker, in a recent editorial, the West Orange Chronicle called attention to the plastic bag danger and stressed the need for safety measures in their use. The same issue of the Chronicle carried an article on the subject, containing a warning from the health department as to the hazard to infants and children from misuse of the bags. I commend the Chronicle for alerting its readers to this menace, and feel that the strongest corrective remedies are in order to prevent further tragedies. It is appalling that more than 20 children have been suffocated, and the danger can no longer be ignored. I have accordingly introduced legislation to prohibit the shipment of these bags in interstate commerce, and I urge its prompt consideration.

The news article and editorial appearing in the June 4 issue of the West Orange Chronicle follows:

#### PLASTIC BAG TOY IS INFANT KILLER, SAYS HEALTH DEPARTMENT—PARENTS WARNED OF HAZARD—ONE HUNDRED MAY DIE IN 1959

Dr. K. W. Thum, of the health department, warned parents today that the use of plastic bags as playthings has resulted in the death of a number of children in the United States during the past year. He urged West Orange parents to be mindful of the danger.

"When children play with transparent plastic bags, they are tempted to put them over their heads to peer through them," he said.

Perhaps an electrostatic charge is generated. In any event the bag seems to grab tightly around the head of the child and make it impossible for him to breathe. This is followed by panic and suffocation.

"There is some evidence that the same hazard applies to plastic sheets if used as mattress covers on the cribs of infants and to plastic pillow cases," he points out.

The National Safety Council recently issued a statement saying more than 20 children were reported to have suffocated because of the use of plastic sheets, pillow cases, or bags in the first 3 months of 1959. This statement was based on material supplied by State health departments. Plastic sheets were mentioned in seven deaths and plastic pillow cases in three.



Without electricity we would be able to have no modern means of refrigeration; there would be no good means of pumping water for household purposes as well as for livestock. Another thing that is very useful on the farm is the electric fencing unit. This serves either as an excellent temporary fence or as a good permanent fence at a small percentage of the cost of a barbed wire fence.

In the spring the electricity is used extensively in infra-red heat lamps. Many times we have to get up at night and bring a calf in that is almost frozen to death. Sometimes they seem almost dead; yet after a while with the heat lamp, they get up and try to run around the floor. This lamp is also used for brooding of little chickens. This is much safer and more economical than any other means.

As mentioned earlier, modern plumbing is found in about all the homes of this community that have electricity. Without electrical energy the modern bathroom would be hardly known to our area. This is a lot more sanitary than the old style outdoor toilet.

Anything that came along with electricity that is found very useful on our farm as well as many others in our locality is the milking machine. This appliance is much easier in most cases and more economical in the long run than hand milking. It is also easier on the cows. Some of our neighbors find the REA very useful in the pasteurization of milk. The electric cream separator is another machine connected with dairy products that is used extensively in our community. It is a labor-saving device for the operator as well as for the lady of the house, since most of them are self-washing.

In the summer time, or in any other time of year, a welder on the farm is found to be a very excellent piece of equipment. When you are out in the fields mowing, raking, plowing, or any other one of the many things connected with farming and ranching; it is a lot easier to come to the house and weld something together than to go to town after repairs.

To make a long story short—REA is the most wonderful thing that could ever come to a farm.

ESSAY BY RUSSELL FRERICHS, HILDRETH, NEBR.

Rural electrification in the home and community is the most useful and the most valuable accomplishment in the years past. We, as citizens of a growing and prospering America, are endowed with luxuries and a standard of living found nowhere else in the world. A major factor in this cultural development has been rural electrification.

It has long been known that electricity provides the lowest cost power for more purposes than all other sources of energy combined. It is for this reason that the benefits of rural electrification have been extended to millions of people. Many of us fail to realize just how valuable it is and how much it does for us. Through the ever increasing world of science we are able to discover hundreds of new things about electricity to lighten our work and brighten our leisure. The vast capabilities of electricity reach as far into the future as man's imagination.

Rural electrification has revolutionized the home and community in countless ways. Just a few decades ago a common source of light was a lamp or lantern. Now with new economical light bulbs, we can see better with less strain on our eyes. With all types of major appliances, the housewife can prepare meals with greater ease and convenience, more cheaply, and in a shorter time, than ever before was thought possible. With today's new modern sewing machines, a family can save on clothes bills which is so important in view of today's higher prices.

No more does a housewife have to slave on washday. With a flick of a button and a turn of a knob, the clothes are washed easier, faster and better for the housewife.

Millions of people owe their daily entertainment to TV. New forms of entertainment are gradually entering the scene, such as stereophonic high fidelity sound recordings.

Rapid strides are also being taken on the farm scene in the field of electricity. All of these advances lead to a safer and easier life for the farmer. A farmer now does less work, gets more done, and gets it done in a shorter time. The scientific world is finding new ways to put electric motors to work for the farmer, thus accomplishing what formerly required hand labor. He can now protect his livestock and farm animals with better lighting and better heating systems and electric fences and home welding now enable the farmer to work more for himself and more economically than ever before.

Newer and better ways of harnessing electricity are created every day and are doing more work so we have more time to spend with our friends and family.

Listed are only a few of the countless ways rural electrification in the past 24 years has revolutionized the home and community and will continue to do so in this day and age of the atom.

### Won't-Do Congress

#### EXTENSION OF REMARKS

OF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. MICHEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Peoria (Ill.) Journal Star of June 10, 1959:

#### WON'T-DO CONGRESS

Congress is repeating this year its well-known performance of ducking issues by doing virtually nothing.

Some issues are in effect sidestepped through resort to compromises which do not come to grips with problems. Often these are worse than doing nothing. They give the illusion of action while only postponing decisions.

We try to be realistic in appraising the work of Congress. We realize that no body of 534 individuals can be indifferent to the pressures of Washington, D.C., and constituents back home. But we are always hoping that they will rise above these pressures when the national need requires. The times when this happens are growing fewer and farther between. Congressional action increasingly takes on the look of erratic patchwork, reflecting a crude balance of response to pressures.

See how foreign aid is handled. Congress is caught between the heavy pressures and, year after year, comes out with a compromise that simply postpones the making of a decision on a sane policy.

Labor reform, one of the Nation's most urgent needs, got the "do nothing" treatment last year and seems about to get it again this year.

Congress is suffering from the malady of cumulative inertia. Less and less is it an effective instrument for positive action in any age of great stress. It has made a routine of the roundabout approach to national problems. Its results are watered-down bills, halfhearted measures, timid strides forward.

Genuine compromise often is the key to good lawmaking. But compromises which

cut the heart from issues simply constitute unrealistic failure to face issues.

Congress is inviting another strong man, like Franklin D. Roosevelt, to step in and make a rubber stamp of it.

### That "Wall" Again

#### EXTENSION OF REMARKS

OF

HON. J. ARTHUR YOUNGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. YOUNGER. Mr. Speaker, it is unfortunate that so much of the Members' time has to be devoted to warmed-over measures which have been soundly defeated by the House on previous occasions. It would seem that we are to be confronted again with the Freedom Wall Monument, which not only has all of the objections that were raised when the measure was turned down by the House in the 2d session of the 85th Congress but, in addition, defeats the purpose of the resolution adopted by the American Legion at their national convention in Chicago in September 1958.

I trust the Members will read the following editorial from the Saturday, June 6, issue of the Evening Star as well as the American Legion resolution:

[From the Evening Star, June 6, 1959]

#### THAT "WALL" AGAIN

With a never-say-die spirit in accord with the principles it supposedly would symbolize, the so-called Freedom Wall, thought to have been buried at the past session of Congress, has been brought back to life by its sponsors. The project remains highly controversial, however, and Congress should see to it that any legislation passed contains adequate safeguards against unwise location, size, and design of the structure.

Although the purposes of the undertaking were praiseworthy, the House shelved the memorial bill more than a year ago after strong objections had been raised in Congress and elsewhere to the building of a huge walled enclosure adjacent to Arlington National Cemetery and the Marine Memorial. The final design of the shrine never was submitted to Congress or to Federal agencies concerned with protecting the Arlington end of the Mall axis against improper development.

If Congress now is to approve erection of a freedom memorial of any kind on the site originally chosen for the "wall," the legislation should make certain that (1) the project as finally planned has the unqualified approval of the Fine Arts Commission and the National Capital Planning Commission and (2) construction is delayed until all of the \$15 million or so to be sought by public subscription is in hand. Otherwise the Arlington hillside may be marred by a partly completed structure or by one not suitable for the site selected.

RESOLUTION ADOPTED AT AMERICAN LEGION NATIONAL CONVENTION, CHICAGO, SEPTEMBER 1-4, 1958

Resolution No. 164 (Virginia)—Subject: "Enlargement of Arlington National Cemetery."

Whereas it has been learned that unoccupied space for the burial of veterans and members of the armed services of the United States in Arlington National Cemetery is rapidly becoming exhausted, and is



expected to be exhausted within a very few years; and

Whereas the American Legion has a deep and profound interest in the continuation of honoring deceased veterans and members of the armed services with appropriate burials in Arlington National Cemetery, for as long a period of time as this can be made possible; and

Whereas approximately 20 acres of unoccupied Government-owned land that is suitable and appropriate for use as an extension of Arlington National Cemetery exists and adjoins this cemetery directly to the north of the cemetery; and

Whereas proposed legislation which would have authorized the erection of a large public monument or structure on this Government-owned land, adjoining the cemetery at its north boundary, was rejected by the 85th Congress during its 2d session, in 1958, for reasons including the expressed interest of numerous Members of Congress in adding these lands to Arlington National Cemetery, and thereby providing a much-needed extension to the cemetery: Now therefore, be it

*Resolved, by the American Legion assembled in national convention, in Chicago, Ill., September 1-4, 1958, That the President and Congress of the United States be petitioned to authorize the enlargement of Arlington National Cemetery, and to make available for this purpose the Government-owned land that is located to the north of the present north boundary of Arlington National Cemetery, and which is not now occupied, or such other Government-owned land adjoining this cemetery as may be unoccupied and is suitable for this purpose.*

### Wheat Program for 1960-61

SPEECH  
OF

**HON. H. R. GROSS**

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 7246) to amend the Agricultural Act of 1939, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

There must be good reason for the enactment of this amendment. The chairman of the Committee on Agriculture at first said this was inconsequential, this amendment offered by the gentleman from South Dakota, but it seems to me it has developed into a pretty good argument. I notice the distinguished chairman of the Committee on Agriculture is now making quite a fight against it despite the fact that it was not supposed to affect anybody or do anything. That seems to me to be a argument for the adoption of the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. It would have affected 237 people last year out of a total of

476,000. Why should we discriminate against 237 loans?

Mr. GROSS. I am in favor of putting this limitation on every bill just as fast as they come in here.

Mr. COOLEY. I say if you put it on every bill, even if you put a \$35,000 limitation on it, but you are not accomplishing anything. That is my point.

Mr. GROSS. Oh, yes, you are accomplishing something.

Mr. COOLEY. You are knocking these 237 people out of a loan.

Mr. GROSS. Would not the gentleman say that is some accomplishment?

Mr. COOLEY. No.

Mr. GROSS. The gentleman from Iowa thinks it is and feels that we ought to put a similar limitation on every bill that comes in.

### Why I Want To Go to College

EXTENSION OF REMARKS

OF

**HON. JOSEPH E. KARTH**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. KARTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimonial to the fine character of American youth in a prizewinning paper in the national Thom McAn leadership awards program of Vaira Haase, of 382 Arundel, St. Paul, Minn. Vaira ranks second in the senior class of Mechanic Arts High School and was given superior ratings by the faculty in every area. For her efforts in this contest Vaira Haase will receive a college scholarship and an all-expense trip to Washington, D.C., and New York City.

WHY I WANT TO GO TO COLLEGE

(By Vaira Haase)

My family and I are displaced persons from Latvia. In Latvian there is a special word for school—"gaismas pils," meaning "castle of light." Ever since I was little I have thought of education in this way. It is a castle where prejudices and misconceptions are banished by the light of tolerance and truth. A place where people gain an understanding of life's problems and an appreciation of life's joys.

My family has taught me this viewpoint. In our country my mother was a teacher, my father a storekeeper, and my uncle a school principal. Now they all earn a living as janitors; their years of schooling no longer have any practical value. Yet it is from them I have learned the real meaning of education.

When I see my mother's tired face relax as she opens a book, or hear my father and his friends heatedly discussing ideas of right and wrong, I can see the continuing enriching effect education has had on their lives. I then agree wholeheartedly when I hear my uncle say, "We may have left everything behind, but we still have our two greatest possessions—the knowledge we have acquired and the desire to learn more."

I realize that not everything about education is as beautifully idealistic as this statement. The pursuit of knowledge can often seem a useless rat race filled with hard work, a shortage of funds, unfair professors, and dull classes. During my college years there will probably be times when I share

this outlook. But I am sure that the rewards will be well worth the sacrifices.

One of these rewards is the opportunity to work in my chosen field, teaching. As a high school English teacher I would work with the two things I love best—books and people. I can imagine no career more satisfying than that of helping others to gain knowledge. But before I can do this, I must acquire a college education myself.

There is another important reason for my ambition toward college. In a sense, I feel that I owe America a debt. The ideals of her leaders and the kindness of her people have given my family and me the right of "life, liberty, and the pursuit of happiness." The best way I can repay this debt is by being a good and useful citizen. A career in the American educational system would enable me to do this.

Of course education offers great practical rewards. An educated person has greater financial security and a higher standing in the community. The college years give the student an opportunity to meet new people and make new friends.

But these things seem like frosting on the cake when compared to the satisfaction of working at a job one loves and the joy of enriching one's life through knowledge.

### Lewis L. Strauss: Outstanding Record of Public Service

EXTENSION OF REMARKS

OF

**HON. CRAIG HOSMER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. HOSMER. Mr. Speaker, it is a matter of real personal satisfaction to see so many fine tributes appearing in the Nation's press to Lewis L. Strauss for the more than 30 years outstanding service he has given to his fellow Americans. The Independent-Press-Telegram newspaper of Long Beach, Calif., on June 8 contained one such fine editorial as follows:

STRAUSS REJECTION WOULD BE VICTORY FOR ART OF SMEAR

Controversy such as that now raging around the head of Lewis L. Strauss is nothing new in the life of the former Atomic Energy Commission chairman. Because he is an outspoken and courageous man and has an irritating way of being right, he has made some fierce enemies, some of whom are doing everything in their power at this time to torpedo his appointment as Secretary of Commerce.

Unfortunately, much of what is being said against Strauss is in a personal vein. Some of those against whom he has successfully prevailed in his effort to keep the United States ahead in the nuclear race would give anything for his scalp. Several Members of the Senate appear determined to give it to them.

For the sake of fairness the public should be reminded of some of the facts of Strauss' outstanding record of public service. Unlike some of his hottest critics, he is no newcomer on the scene of public affairs.

Strauss was Herbert Hoover's secretary when Hoover served as head of the U.S. Food Administration. In 1919 Strauss was on the staff of the U.S. delegation which helped arrange armistice terms with Germany. He was appointed to the Atomic Energy Commission under Harry Truman in 1946 and was President Eisenhower's liaison



Chairman COLE. It may not be in your memory, but it certainly is within mine, that for the first time within the history of this committee it was necessary for the committee to adopt a formal resolution to get information from the Commission.

Mr. STRAUSS. I am aware of that.

Chairman COLE. You may not call that resistance, but I do.

Mr. President, Admiral Strauss' memory failed him when the neglect to supply that information was brought out; but Republican Chairman Cole remembered the circumstances. He recalled that the committee had to adopt a resolution to get it when it was not forthcoming.

Then, when I questioned Admiral Strauss about the fact that Congress had passed an act to require him to give to the committee all the information—the previous act had provided only that the committee should be supplied with “information of its activities”; but because the Atomic Energy Commission, under the leadership of Admiral Strauss, had failed to do so, the law was amended by the insertion of the words “all of its activities”—Admiral Strauss repeatedly stated, as the hearings bear out, that he could not remember anything about such an amendment of the law. However, Mr. President, it seems absolutely unthinkable that after the Congress had directed a law at one man—and that law was directed at Mr. Strauss, the Chairman of the Commission—that man would not remember that such a law had been passed.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Oklahoma yield to the Senator from Pennsylvania?

Mr. MONRONEY. I am happy to yield.

Mr. CLARK. Mr. President, I see across the aisle my friend the junior Senator from California [Mr. KUCHEL]. If I may address myself to him for a moment, let me say that I understand that later today he will make a speech in support of confirmation of the nomination of Mr. Strauss. Is that correct?

Mr. KUCHEL. No, Mr. President; my friend the Senator from Pennsylvania is mistaken.

I shall vote for confirmation of the nomination of Mr. Strauss. Perhaps I shall speak on the subject next week; but I have no plan to speak on it this evening.

Mr. CLARK. Then, Mr. President, I withdraw my suggestion.

Mr. MONRONEY. Mr. President, I yield the floor.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1968) to strengthen the wheat marketing quota and price support program, with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its amendment to the bill; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr.

COOLEY, Mr. POAGE, Mr. GRANT, Mr. ALBERT, Mr. HOEVEN, Mr. DAGUE, and Mr. BELCHER were appointed managers on the part of the House at the conference.

#### STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM

Mr. ELLENDER. As in legislative session, I ask unanimous consent that the Chair lay before the Senate the amendment of the House to S. 1968.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, which was, to strike out all after the enacting clause and insert:

That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

“Sec. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c) (2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c) (2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop

thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c) (2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *Provided further,* (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000, (2) That the term ‘person’ shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support shall be made available to cooperators and noncooperators at 50 per centum of parity: *Provided, however,* That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor.”



SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to

store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c)(1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

(d) Section 336 is amended to read as follows:

"Sec. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this Act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat."

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

### THE WHEAT BILL

During the delivery of Mr. MONRONEY's remarks,

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. MONRONEY. Mr. President, I ask unanimous consent that I may yield to my distinguished colleague without losing my right to the floor, with the understanding that his remarks will be printed in the RECORD following mine.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the message just received by the Senate advises us that the House of Representatives passed the so-called wheat bill. I should like to have my colleagues in the Senate note that the Members of the House by a vote of 188 to 177 adopted a bill which will do four things which are certainly needed, in the light of the present circumstances relating to agriculture and the current agricultural program.

First, the House passed a bill which will reestablish the yardstick of 90 per cent of parity for agricultural products, in the instance of wheat, thereby assuring the farm producer of wheat a fair price on his production. This will give the farmer a fair income.

Second, the House provided for a cut-back of production by passing the bill. In other words, if the bill passed by the other body is made law it will have a definite effect in cutting back the tremendous production of wheat. The bill passed by the other body provides 90 percent of parity, if a farmer takes a 25-percent decrease or cut in allotted acreage. This will mean a reduction in production.

Third, enactment of the bill will reduce surpluses, which hang heavily over the market today with a price depressing effect, because with the 25-percent acreage cut there will be a one-third payment in kind from the Commodity Credit Corporation stocks to the farmers who cooperate under the tremendous acreage reduction. That one-third payment in kind will come from the surplus wheat which has been accumulated in Government storage bins. This will tend to reduce the storage costs by feeding the wheat back onto the farms, for use by the farmer in feeding his livestock or feeding his poultry and fowl.



Fourth, the bill, if enacted into law, will provide savings for the taxpayer. It will result in savings because there will be less wheat going into storage. It will result in savings because the storage costs will be cut down on the already accumulated surpluses. It will result in savings because it will provide either no further increase or only a limited increase in the accumulation of new supplies.

Mr. President, I think we owe a debt of gratitude to men such as Representative ALBERT, for his leadership in this effort; Representative GEORGE McGOVERN, of South Dakota, who I understand took a very effective leadership part; Representative ANDERSON, of Montana; Representative BURDICK, of North Dakota; and Representative BREEDING, of Kansas, to mention only a few.

These are Members of Congress with vision and with courage, who were willing to fight the good fight to give farmers a fair chance in the marketplace and to protect the interests of the taxpayers, by reducing the tremendous flow of production to manageable proportions.

I am hopeful the Senate conferees, if we go to conference on the bill, will find it possible to agree with the House action. I shall do my best to encourage such a conclusion.

If we do not go to conference and if there is to be independent action in the Senate on the bill passed by the House, I hope we will adopt those provisions. There are minor adjustments which can be made. There were certain provisions in the Senate bill which were very good, such as the cutting off of support prices and supports for noncompliance producers, those who do not comply with the regulations.

I am hopeful that some of the other limitations of the Senate bill will be agreed to.

This is a great day for agriculture, Mr. President, if we will follow the general pattern and direction laid down by the action of the other House. I, for one, want to compliment the majority in that House for its action.

I thank the Senator from Oklahoma, who I know is keenly interested in the entire farm problem, because of tremendous farm production of the great State of Oklahoma, for yielding to me.

Mr. MONRONEY. I thank my distinguished colleague.

#### NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. MCCARTHY. Mr. President, I should like to make it clear at the beginning of my address that my primary concern is not so much with the personal qualifications of Mr. Strauss, but, rather, with the larger question of the responsibility of the Senate in passing upon nominations for Cabinet officers and other important administrative positions.

Some of the reactions in the press and also among the people of the coun-

try as a result of the rather prolonged hearings on the nomination of Admiral Strauss are evidence of the need for a repeated, clear statement of the Senate's responsibility, under the constitutional instruction regarding advice and consent.

The assumption has arisen that the President has an almost exclusive responsibility in regard to administrative appointments, and that failure, upon the part of the Senate, to support the nominations by confirmation is an affront to the President.

That assumption is not warranted by a careful reading of the Constitution. It is not warranted by a careful reading of the debate which preceded the adoption of this particular section of the Constitution. Certainly it is not warranted by the traditions and practices which have developed since the Constitution was adopted.

Withholding consent should not be considered an affront to the President any more than veto action by the President should be considered an affront to the Congress. The President has a right to veto legislation which has been passed by the Congress, and if he determines that it should be done, he has a duty to do so. In the same way, the Senate has a positive duty to give its assent to nominations if it feels they are in the public interest. It has the right and the duty to withhold such approval if the facts justify such action.

Mr. CLARK. Mr. President, will the Senator yield briefly?

Mr. MCCARTHY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I am much interested in the point the Senator is making. In the course of trying to make up my mind as to how to vote on this question, I have listened to distinguished Senators who take the position that if this nominee is rejected, it will be a body blow to the President at a time when our international relations are in some difficulty, when the President needs all the prestige he can get, when everybody ought to rally around the President, in view of the happenings at Geneva and the possibility of a summit conference.

I wonder if my friend will elaborate a little on the view that rejection of this nomination, if it should come, would have little, if any, effect on the President's stature, not only as our Commander in Chief, but as our Chief Executive in charge of the day-to-day conduct of foreign relations.

Mr. MCCARTHY. May I say to the distinguished Senator from Pennsylvania that the action taken by the Senate in confirming the nomination of Christian Herter to be Secretary of State did involve, I think, this very point; but, wisely, the President sent to the Senate the name of a man in whom the Senate had confidence and one on whom we counted and trusted to carry out properly the duties of the Office of the Secretary of State.

In terms of the President's prestige at a summit conference, assuming there will be one, I would say there is about as much significance in suggesting that the President will suffer as a result of the rejection of the nomination, as

there is that the Department of Defense will collapse if the Senate supports the Senator from Maine [Mrs. SMITH] in her opposition to the promotion of General "Rosie" O'Donnell. I think the cases are roughly comparable as for as influence on the summit goes.

If those who are concerned about the loss of prestige of the President will look at the record, they will find that the Senate has never been particularly sensitive on this score in other administrations. I would say the members of the opposition party have a very special kind of responsibility in this area, although, of course, the responsibility rests upon the whole Senate. If in the past the Senate has sometimes used its power in an arbitrary manner, or in a partisan manner, it is to be regretted, just as arbitrary vetoes on the part of the President are to be regretted. The fact that there have been arbitrary vetoes is no argument for withholding the veto power or for withdrawing it from the President.

Mr. President, the growth of Government and the changes within Government have resulted in new problems, new relationships, and corresponding new responsibilities which were quite unknown in 1787. The present controversy has been accepted by some as simply the inevitable conflict between the legislative branch and the executive. Certainly this is one aspect of the problem, but more important, I believe, is the changing role of Cabinet officers and high administrative officials, especially those in the independent, regulatory commissions.

Cabinet officers have become much more than advisers to the President and administrators of clearly stated laws of limited application. This has been especially true under the present administration. They have been delegated powers by the Congress and by the President which provide for discretionary authority in the use and interpretation of the laws. They do exercise executive power, but also a great measure of legislative and even judicial power.

It is therefore vitally important that the men in charge of these high offices be responsive to the will of the Congress, as well as to the intent of the President, as they interpret and apply the law, taking into account not only the position of the administration in power, but also that of the Congress which passed the laws which they are charged with executing or enforcing.

The veto power is to be exercised only at the time a bill is before the President for signature. We do not give each new President the right to veto laws which have been passed by previous Congresses and approved by previous Presidents.

The qualifications of administrative officials must therefore include much more than good character, good intentions, intellectual capacity for the office, and loyalty to the President.

In the course of this debate one is almost forced to conclude that if the President sends to the Senate the name of a man who has FBI clearance and a medical certificate the Senate ought to approve the nomination at once. Certainly much more than that is called for.



It is vitally important that administrative officials also understand their relationship to the Congress; that they be aware of the changes which have taken place in our Government; that they be concerned to make government truly representative and responsible; that they show a willingness and determination to cooperate with the Congress, and, to the best of their ability and understanding, to carry out the intent of Congress in order that the purpose of representative government may be achieved in the fullest possible measure.

It is this new role of Cabinet officers which requires careful and, if necessary, prolonged inquiry on the part of Senators who must judge the qualifications of nominees of the President. The official actions of these officers of Departments such as Agriculture and Commerce have direct and significant effects upon the rights and welfare of citizens of the United States. In many cases the livelihood of citizens, their economic well-being, depends upon the exercise of the discretionary power of these officers in interpreting and applying the laws.

Mr. President, much has been said about separation of powers in relation to the current hearings on the appointment of ambassadors and in the proposed appointment of Lewis Strauss to be Secretary of Commerce. Actually, the controversy is not over separation of powers, at all. When the executive branch of the Government is carrying out its truly executive functions, it is rarely, if ever, in conflict with Congress, because neither the Congress nor the courts have the personnel or institutions for the administration of the laws of the country.

The real question is not separation of powers, but balance of powers between Congress and the President in the field of policymaking. In part the difficulty is institutional, the result of historic changes which have taken place particularly within the last 50 years, and in part it is the result of the particular kind of administration which now controls the executive branch of our Government.

Often the administration's decisions have involved questions of policy of either a legislative or judicial character.

Mr. President, the dual position of members of the Cabinet is well expressed and described by Prof. Richard Neustadt, now an associate professor of government at Columbia University and at one time on the White House staff during President Truman's administration. In the current issue of the Reporter, June 11, 1959, Mr. Neustadt reviews a new book, "The President's Cabinet," by Richard Fenno. In the review he observes:

The Constitutional Convention is supposed to have established a government of separated powers. It did nothing of the sort. Rather, it created a government of separated institutions sharing powers. President and Congress were made independent of each other, and their separateness has been maintained from then to now by their reliance upon differing electorates. But by deliberate plan, both Capitol and White House were to share—and do share—the governmental powers of the other. And chief

among the powers shared has been control of the executive departments.

A few lines later, Mr. Neustadt states:

The Constitution, on its face, gives Congress no less power than the President to supervise administration, and the power has been used as opportunity afforded. From 1789, when the first executive departments were created by act of the First Congress, authority to organize departments and to legislate what they should do, to furnish funds to do it, to investigate its doing, and to confirm appointees has made Congress a partner with the President—and sometimes the senior partner—in controlling his executive establishment.

Department heads who sit in Cabinet with the President are compelled, constitutionally, to serve two masters; he is only one of them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I am interested in the point the Senator is making. I wonder whether the thought that Cabinet officers serve two masters could not, perhaps, be pushed a little too far. Is it not true that the primary loyalty of a Cabinet officer should be to the President, who appoints him, rather than to the Congress, since the House has nothing to do with the confirmation of his nomination and the Senate simply gives its advice and consent?

In other words, to rephrase the question, Does the Congress have any legitimate control over the philosophy of a member of the Cabinet? I happen to disagree violently with practically the entire political philosophy of Admiral Strauss, but it does not seem to me this is a justification for voting against the confirmation of his nomination. I wonder what my friend would say to say?

Mr. McCARTHY. If Admiral Strauss as Secretary of Commerce were to be called upon simply to carry out and to administer the laws as interpreted by the President, in other words, to be an executive officer for the President, I would say his political philosophy would have little bearing upon whether the nomination should be confirmed. The point is that, as Secretary of Commerce, he will be called upon to make many decisions of policy, first of all because of the very nature of the job itself, and, secondly, because, as I said, under this administration, I think, there has been more delegation of powers and responsibilities on the part of the President than there has been under any recent previous administration. As one man observed, "The President does not delegate, he just turns it loose."

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. McCARTHY. I yield.

Mr. CLARK. The Senator will understand that the inquiries I make are in the most friendly possible background and that I am really seeking information.

The Senator and I happen to agree pretty thoroughly—I observe the Senator from Oklahoma [Mr. MONRONEY] is present on the floor, and I think he also agrees—that the present high interest rate policy of the Secretary of the Treasury is not only wrong but it is pretty nearly catastrophic to the economy. I

voted to confirm the nomination of the present Secretary of the Treasury, knowing full-well that he was a conservative who espoused economic views which I consider obsolete, and one who looked at the American economy with a view which I thought did not give the true picture.

And yet it seemed to me then that I was pretty much duty bound to vote for the confirmation of his nomination. Perhaps my vote was due to the fact that the Secretary of the Treasury is a very likable and attractive gentleman, a very candid gentleman, a gentleman who, so far as I know—although I disagree with him rather thoroughly—has never attempted to hold back information from the Congress. Would the Senator from Minnesota go so far as to say, in view of his views and mine, that if Mr. Anderson's nomination were before the Senate for confirmation today, feeling as we do about his economic views, we should vote against confirmation?

Mr. McCARTHY. No; I would not, and for several reasons. In the first place, I have been a member of committees before which Secretary Anderson has testified. There was never any question that he was telling us what to do. He was answering the questions we put to him. So far as I know, he has never invoked the privilege of executive secrecy, and he has never spoken about this subject in the way which Admiral Strauss has spoken. As will be noted from a reading of the testimony, Mr. Strauss went so far as to say, in one instance when he was being pressed for information, that even though the Attorney General told him that he had no basis for executive privilege, he would himself reserve judgment as to whether information should be revealed to the committee.

Also, with regard to the Dixon-Yates contract, after the President had said, "This is an open book," Mr. Strauss evidently concluded that this statement did not apply to him. At least, he did not open the book.

Mr. CLARK. I, too, was gravely concerned by that passage in the hearings. I happened to read it only this morning, and I wondered what manner of man this was, who, having no particular competence in the law, who, having not attended any higher educational institution—and this, of course, I do not hold against him at all, because many fine men have risen to high positions in the Government without the benefit of a college education; but at least Mr. Strauss had no formal education which would particularly qualify him to express opinions and action judgments with respect to the meaning of the Constitution of the United States—should follow the course of action referred to by the Senator from Minnesota.

Yet here was a man who not only was entirely willing to put his own interpretation on the Constitution of the United States with respect to the questions of separation of powers and executive secrecy, but who actually said before the committee that if the Attorney General or other competent counsel advised him that he could take a particular course, he would nonetheless tend to



adviser on atomic energy in 1953 and served 5 years as chairman of the AEC.

In large measure the development of the hydrogen bomb, the free world's greatest deterrent to war with Russia, can be credited to the tenacity and the wisdom of Admiral Strauss, who advised President Truman to go ahead with the project when others held back. Truman valued his advice and in retrospect wrote: "Your counsels have been invaluable."

During that controversy, Strauss' opponents expressed doubts as to the feasibility of the hydrogen bomb. Some warned hysterically that the bomb might explode the atmosphere, erase human life around the globe, and blow hunks out of the world. Strauss commented: "Extreme statements are not warranted by the facts as I know them." The project proceeded. Not long afterwards the Russians tested a thermonuclear device of their own.

It was Strauss who conceived the idea of developing a detection system that told the United States when Russia had broken into the realm of nuclear weapons.

Strauss is now serving a recess appointment as Secretary of Commerce. He happens to be, among other things, a competent business man. A majority of the Senate Commerce Committee have given him their backing. A minority have repaid his good service with the baseless charge that he is a liar and lacks integrity.

If Strauss' appointment is rejected, it will be a triumph for the art of smear.

### The Honorable Roland V. Libonati, Member of Congress

#### EXTENSION OF REMARKS OF

HON. JOHN C. KLUCZYNSKI  
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES  
Friday, June 12, 1959

Mr. KLUCZYNSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a resolution adopted at the Cook County Council meeting of the First Division, Department of Illinois, the American Legion, paying tribute to the Honorable ROLAND V. LIBONATI, for his untiring efforts in behalf of the veterans, and also to reiterate their love and affection for him, which was also displayed in the recent issue of the National La Societe des 40 Hommes et 8 Chevaux magazine:

THE HONORABLE ROLAND V. LIBONATI, MEMBER OF CONGRESS

Whereas the Forty and Eight national organization in its recent issue of their national publication has seen fit to pay honor and respect to a great Legionnaire, the Honorable ROLAND V. LIBONATI, for his untiring efforts and interest in the youth program; and

Whereas La Societe des 40 Hommes et 8 Chevaux has made it a practice in their monthly publications to honor outstanding veterans who have served not only the American Legion, but other organizations in the welfare of veterans; and

Whereas a group of members of the American Legion have taken notice of this recent issue of the national publication of the Forty and Eight paying respect to a member of Federal Post No. 437, of the second district, first division, Department of Illinois, feel that this publication which is nationwide should not go unnoticed, and for this reason feel

that we should join with them in behalf of the American Legion to reaffirm our love for this outstanding veteran, and his continuous interest in the American Legion at all levels, and more particularly in the child welfare and youth programs, for which he has donated a most precious tract of land, consisting of 188 acres, situated in Coloma, Wis., for the children of all communities; and

Whereas each year, through this generous idea, born in the mind of this outstanding veteran, many blind children, including both boys and girls, spend several weeks enjoying the comforts and associations of nature, and the training provided through this great camp, and because of his intense interest in children and the child-welfare program, we request that the entire membership of Federal Post and first division join in the sentiments of paying respect and honor to a great veteran, public servant, and official for his love for the children of all communities in the American Legion; and

Whereas the Honorable ROLAND VICTOR LIBONATI, for 36 years a member of Federal Post No. 437 of the American Legion, has recently been elected to represent the people of the Seventh Illinois Congressional District, in the Congress of the United States; and

Whereas Comrade LIBONATI, when he was but 17 years of age, enlisted in, and served his country as a member of the Armed Forces of the United States during World War I, and was honorably discharged therefrom shortly following the Armistice of November 11, 1918, as a lieutenant; and

Whereas Comrade LIBONATI also served the citizens of the State of Illinois, as a member of its house of representatives in the 57th, 58th, and 62d sessions, and as a member of its senate for a period of 16 years, from 1942 to 1958, 4 sessions of which service he was the minority whip, and during his entire period of service in such assembly, demonstrated his intense interest by sponsoring and passing legislation for the benefit of veterans and the solution of their problems; and

Whereas Comrade LIBONATI further demonstrated his interest in the children of servicemen and other youths, by founding and building the American Boys Camp at Coloma, Wis., starting in 1937 and completing the same in 1948. Many improvements have been added since by sponsors and friends. He made it available to the Past Commanders Club of the American Legion. Each year 800 children attend this camp.

The superintendents of the State institutions throughout Illinois, the principals of the schools, the heads of the relief and charity organizations and councils, the judges of the correctional courts and boys' homes, and the Legion posts select the indigent handicapped orphans and so-called underprivileged and exceptional children to attend this camp.

The funds for this purpose are raised by Legionnaires, political leaders and businessmen, together with ample contributions by the Chicago American, a metropolitan newspaper outstanding in its support of the Legion's Americanism programs, the Woman's Auxillary of the American Legion, the Past Commanders Club, the Past Presidents Club and the State of Illinois.

This Legion program of child welfare, born of his mind and supplemented with action, is one of the outstanding successful efforts to combat child delinquency in America, giving even so-called incorrigibles a new hope in life.

Comrade LIBONATI through the many years of his respected service has always been in the forefront, championing the rights and privileges of "the little fellow," and made many powerful enemies doing so, without fear of the consequences to himself.

We are desirous of recording our high appreciation of the sterling character and accomplishments of our distinguished comrade through this testimonial and, thus, the esteem in which his fellow veterans hold him. We wish him the same successful service in Congress that he enjoyed in the State assembly: Now, therefore, be it

*Resolved*, That the members of Federal Post No. 437, in regular assembly on the 19th day of May 1959 do hereby commend this outstanding Legionnaire, citizen, and public servant for his interest in humane kindness, the American Legion, its programs, and for his constant interest for God and country, we adopt the above resolution for his untiring and unselfish efforts in behalf of the youth of our country; and be it further

*Resolved*, That this resolution be forwarded to the second district council, and forwarded on to the first division council for adoption and to be sent to the Congress of the United States to be inserted in the CONGRESSIONAL RECORD to display to all concerned.

HERMAN HELFER,  
Adjutant, Federal Post.  
SAMUEL E. NEWBY,  
Commander, Federal Post.

This resolution was adopted at a regular meeting of the second district council held on the 20th day of May 1959.

M. EUGENE FARRIS,  
Adjutant, Second District.  
JOSEPH P. SWEENEY,  
Commander, Second District.

This resolution was adopted at a regular meeting of the first division council held on Wednesday, June 3, 1959.

DONALD S. MACIEJEWSKI,  
Adjutant, First Division.  
JOHN L. PAUKSTIS,  
Commander, First Division.

### The Postmaster General Is Commended for Preventing Obscene Matter From Going Through the Mail

#### EXTENSION OF REMARKS OF

HON. EDWARD H. REES  
OF KANSAS

IN THE HOUSE OF REPRESENTATIVES  
Thursday, June 11, 1959

Mr. REES of Kansas. Mr. Speaker, I join millions of American fathers and mothers in congratulating Postmaster General Summerfield on his forthright and public spirited action in banning this book, called "Lady Chatterley's Lover," from the U.S. mails. This is in the highest tradition of the performances by our Postmasters General of their legal duty to protect the public by closing our great postal communications system to peddlers of smut and filth.

I have devoted much of my time and attention, during my entire service in Congress, to the maintenance of a clean mail postal system. To me, the most significant factor in the Postmaster General's action is his recognition of the underlying principle that the test of obscenity in matters of this kind is whether, in applying "contemporary community standards," the dominant theme as a whole appeals to prurient interests. Few if any Americans would



want to acknowledge that the moral standards of their community are such as to condone use of the mails to distribute this type of book. The subject of the Postmaster General's ban is so vile and filthy—so altogether repulsive—as to offend the sense of decency of every right-thinking American. A calculated appeal to immorality of this kind cannot be glossed over and made less lewd by any artistry of rhetoric or prose. It is a misuse of languages toward an end contrary to all the finer ideals and standards of civilized mankind.

The Postmaster General is to be strongly commended for his alert and effective action to protect the public by forestalling this latest effort to open the mails for traffic in obscenity, pornography, and other illegal matter. This book not only should be excluded from the mails; it should be banned from newsstands, stores, and all other places of sale or distribution.

### Facts About Amendments Which Would Make Wheat Bill Workable

#### EXTENSION OF REMARKS OF

**HON. ALBERT H. QUIE**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. QUIE. Mr. Speaker, when H.R. 7246 was before the House, several Members, including myself, were not allowed to present our views on our amendments to this important legislation.

At this time, I would like to explain my amendments their effect, and the reason behind them.

As a member of the Committee on Agriculture, I have devoted a great deal of thought and effort on the subject of wheat legislation. As the distinguished gentleman from North Dakota [Mr. SHORT] and I pointed out in our additional minority views, this bill does not provide the necessary legislative machinery to either implement an effective control of wheat production or to provide an acceptable choice to wheat farmers in the national referendum. We pointed out what we considered were, and are defects in this legislation.

These defects were and are:

First. That a 25-percent cut in acreage allotments for wheat, when coupled with payments in kind, simply will not cut into the excess availability of wheat in the market place.

Second. That the provision in the bill dealing with the control of acreage diverted from wheat was not effective.

Third. That the 15-acre marketing quota exemption, although reduced by the bill, leaves in effect a loophole which has caused an unwarranted shift of wheat production from the traditional wheat-producing areas to other less efficient areas and has resulted in the accumulation of some 600 million bushels of wheat by the CCC.

Fourth. That our agricultural history has been a sad testimonial to the fact

that acreage controls alone are not effective tools in controlling production.

Fifth. That the alternative of 50 percent of parity price supports offered wheat farmers in the referendum was offering a choice of price supports too low for our wheat farmers.

And sixth. That one referendum for the 2-year period would be sufficient.

In order to correct what I sincerely felt were deficiencies in the bill, I prepared a number of amendments, some of which were read by the Clerk and summarily voted down by the House yesterday without the opportunity to be presented on their merits. My amendments were designed to accomplish the following purposes:

First. To change the required amount of reduction in wheat acreage for 1960 and 1961 from 25 percent below the farm acreage allotments computed under present provisions of law to 30 percent. The most optimistic estimate of a 25-percent cut in wheat acreage was a 20-percent cut in wheat output. Some experts predicted only a 7-percent cut in wheat output. The Department of Agriculture predicted that wheat output would be reduced by less than 15 percent. In order to do a really effective job of cutting production, a 30-percent cut seemed absolutely necessary.

Another amendment dealing with the payment-in-kind section was designed to allow a wheat farmer to voluntarily retire all his wheat acreage allotment in return for payments in kind based on one-third of his actual annual production.

However, in my bill, the 25 percent cut required by the bill would not be paid in kind because such payments in kind would only find their way back into the marketplace or into Government stocks. This is true due to the fact that the market can only absorb an estimated 1.08 billion bushels. In spite of reduction of wheat output under H.R. 7246, there would be more wheat available on the market than could be consumed.

Second. To prevent the use of the acreage diverted for wheat for raising other agricultural commodities which would create further problems, the next amendment would impose marketing penalties on the entire wheat production of the farm if any crop is raised on the acreage diverted from wheat production, or if such diverted wheat acreage is used for grazing.

This amendment would deny price supports on any crop produced on the farm in 1960 and 1961, if a wheat farmer grows a price-supported crop on the acreage diverted from wheat production. This would impose strict cross-compliance and prevent the use of former wheat acres for growing other crops.

Third. The next amendment was to repeal the 15 acres marketing quota exemption but allow all farmers the right to vote in the national referendum.

Fourth. Another amendment would direct the Secretary of Agriculture to make a thorough study of bushelage allotment for wheat; to report such findings and recommendations to the Congress by January 1, 1960. At this late date, bushelage controls could not be im-

plemented in this legislation, but a thorough study by the Department of Agriculture seemed to be in order.

Fifth. Lastly, to offer wheat farmers a choice more in line with that offered corn farmers last fall, this amendment would have given the Secretary discretion to set the choice for free production at not less than 55 percent of parity, a level more justly related to feed grains.

In conclusion, I regret that my amendments were not given an opportunity for debate, and I sincerely hope that the other body and the conferees on the bill will give each of them serious consideration.

### Essays by Nebraska High School Students on the Value of Rural Electrification

#### EXTENSION OF REMARKS

OF

**HON. GLENN CUNNINGHAM**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. CUNNINGHAM. Mr. Speaker, under leave to extend my remarks and include material in the Appendix, I submit four winning essays by Nebraska high school students on the topic of the value of rural electric service to homes and communities.

This contest was sponsored by the Nebraska Rural Electric Association in cooperation with power systems in the State. These essays show the real impact of electricity in rural areas over the past quarter century. I commend them to my colleagues:

ESSAY BY SUZANNE HESS, 15, GORDON, NEBR.

Rural electric service is the key to rural happiness and prosperity. It's the key that unlocks an invisible force to travel from the powerplant to our homes and our community and to completely change our lives from that of our forefathers.

Rural electric service has helped us advance to a higher standard of living. It has unlocked the door from a life that was a struggle for existence to a life where we can do our jobs better, faster, more efficiently, and is making us happier and better rural citizens of America by helping us to make our homes better for a higher standard of living.

I am only 15, but the imprint of the days when there was no rural electricity in our community is still in the back of my mind. The old pitcher pump in the kitchen, the outdoor plumbing, and the old teakettle we used for heating water have been replaced with water pumps, hot water heaters, modern plumbing, and electric appliances of all kinds. Every year we find new uses for electricity and its many servants.

Rural electric service has made a real difference in the life of our family and community and we are grateful for it. On the farm and ranch, electricity has become a very important part in the planting, irrigating, and harvesting of the crops; the raising and feeding of livestock; and the raising and cooking of foods for our own existence.

Rural electric service has saved the lives of many a small new born calf by sending electricity for heatlamps. The small, new born depends upon electric service all through his life. He depends upon rural electric service for electricity to run the elec-



lege graduate, has an especial opportunity to be an effective witness of Christ for unity among his brethren.

Throughout this entire sermon I have implicitly called for a most active life of the intellect for only in this fashion can you truly be a witness to Christ. To fall in this would equivalently demonstrate that your Catholic college education has been in vain.

In conclusion, then, we note that since your purpose is to testify to Our Lord in the fashion of a Catholic college graduate, it is to be expected therefore that you will distinguish yourself and thus your college by the excellence of the careful and constant discharge of the duties and requirements of your citizenship in the city of God and in the city of man. America deserves your best; nothing less is worthy of Christ.

Your patriotism will be marked by intelligent comprehension of the issues and principles as well as the circumstances of the times that so brutishly try men's souls. Your dedication to the purposes of good citizenship, as well as to the apostolate of your Catholic life, will require you to give your full measure of support and intelligent participation in the various and diverse community organizations possible to you and feasible within the conditions of your life.

Above all else, you will engage in your professional life, as a Catholic college graduate, in such fashion as never to be ashamed to testify to Our Lord, nor ever to cause shame in others by your testimony.

Yours must be an apostolate of intellectual as well as spiritual excellence. Nothing less is worthy of Christ, your companion. Excellence is all you are and in what you do, excellence of integrity as well as of accomplishment, will be your testimony of the values and the virtues Christ has entrusted to your guardianship. This excellence will induce others to follow you and thus come to know, to love and to serve Christ.

Without flinching, without compromise, be loyal to God and country, be worthy sons of your alma mater.

### Obscenity in the Mails Is Everybody's Business

#### EXTENSION OF REMARKS OF

**HON. EUGENE SILER**

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. SILER. Mr. Speaker, in a recent edition of The Pineville (Ky.) Sun, there appeared a reprinted newspaper editorial on the obscenity racket that is now flourishing throughout the country by using our U.S. mail for its damaging purposes. This editorial well explains that the restraint of this racket is really everyone's business. All of us should be interested in helping to put a halter on this animal before it rampages any further among the teenagers of our country. The editorial follows:

IT CAN BE STOPPED: SAYS THE PLANT CITY (FLA.) COURIER

A \$500 million a year mail order business in obscenity is being directed at the Nation's teenagers, according to Postmaster General Arthur Summerfield.

The American public, if it wants to, can destroy this business.

According to postal officials, mail order dealers in pornography are flooding the

mails with lewd books, films, pictures, slides, and other materials.

If a citizen's home is invaded by un-ordered material, all he has to do is complain to the Post Office Department. This can be done by mailing or taking the objectionable material and the envelope it came in, with a signed note of protest, to the local postmaster.

An investigation is then made by the Post Office Department's inspection service. If their findings justify action to ban the material from the mails, the Department then issues such an order. If the sender of the obscene material protests the ruling, the matter may then be taken to the nearest U.S. District Court for a decision.

Where the material is clearly pornographic, criminal action is usually taken by the local prosecuting authorities with the cooperation of the Post Office Department. Convictions in such cases can provide both jail sentences and fines for dealers in obscenity.

### Distinguished Belgian Envoy Ends Long Career in United States

#### EXTENSION OF REMARKS

OF

**HON. JAMES G. FULTON**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. FULTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I enclose an article from the New York Times on our good friend Baron Silvercruchs:

[From the New York Times, June 3, 1959]  
DISTINGUISHED BELGIAN ENVOY ENDS LONG CAREER IN UNITED STATES

One of the last of the "old pros" among Washington's diplomats, Baron Robert Silvercruchs, Ambassador of Belgium, retired today.

After 41 years of diplomatic service, including nearly 16 as Ambassador to the United States, he went to the White House at 11:30 a.m. to say goodbye to President Eisenhower. Later the baron called on Chief Justice Earl Warren. In the next few days he will bid farewell to many others, not merely officially, but as a friend.

There is more good cheer than tears about these farewells. One reason is that Ambassador Silvercruchs is known to official Washington not merely for his experience and wisdom, for punctilious correctness and equisite entertaining, but also for his gaiety and wit.

Another reason is that he is not really leaving. After a summer in Nantucket, he and Mrs. Silvercruchs, the Mrs. Rosemary Turner McMahon, widow of Senator Brien McMahon, of Connecticut, will divide their time between Washington and Brussels.

"As of 11:30 this morning, I am out of the diplomatic service and of official life," Baron Silvercruchs said today. "I shall continue the pursuit of happiness in private life. Although lacking diplomatic immunity, I hope that I will enjoy immunity."

"For the first time in 10 years I am care-free," he continued, "and I plan to enjoy it."

#### PLANS SOME GOLFING

He said he planned to do some golfing and fishing, for which he found little time during his years in Washington.

Only a few men in official Washington can look back on careers as long as that of Ambassador Silvercruchs. One of them is Repre-

sentative SAM RAYBURN, who was in his fourth term as Congressman from Texas when Baron Silvercruchs arrived in Washington as an embassy attaché in 1918 and is today one of the Ambassador's many friends on Capitol Hill.

In 1918, when he was 25 years old, Baron Silvercruchs had his first diplomatic assignment, preparing the visit to the United States of King Albert and Queen Elizabeth of Belgium. In 1959, at 66, he had his last big job, arranging the visit to this country of King Baudouin and accompanying the King.

In between, he has served in his country's Embassy here under every U.S. Chief Executive since President Wilson. In addition, he served as chief of mission to Canada for 6 years and has had assignments in Britain and China.

A member of the Ambassadors' committee in Washington that prepared the North Atlantic Treaty, he signed it for his country in 1949.

#### GAVE SMALL LUNCHEONS

One of the few big receptions he gave at his embassy was the one for King Baudouin last month. But he gave small luncheons and dinners several times a week. These offered a gracious setting for the kind of diplomacy he liked best. Diplomats sometimes debated whether the Belgian Ambassador or the French Ambassador had the better chef. Most chose the Belgian.

Once he was asked what he would do if a photographer turned up to photograph his guests.

"I would ask him," the Ambassador is said to have replied, "why he was preventing me from doing my job."

"When I look back over my years in Washington," Ambassador Silvercruchs said today, "I don't feel gloomy at all. I think we have laid the foundation for what may be called a commonwealth of freedom."

He spoke of the evolution of European economic unity from the agreement between Belgium, the Netherlands, and Luxembourg to the European Common Market. He also mentioned the growth of Western military unity from the five-power treaty signed by Belgium, the Netherlands, Luxembourg, Britain, and France in 1948 to the North Atlantic Treaty Organization.

"I am of good cheer," he said.

"I don't think I would deplore even the failure of a summit meeting. Failure may be more to the Soviet Union's disadvantage than to ours."

### The Wheat Bill

#### EXTENSION OF REMARKS

OF

**HON. DON L. SHORT**

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. SHORT. Mr. Speaker, yesterday when the House had under consideration H.R. 7246, I was very disappointed that my colleague the gentleman from Minnesota [Mr. QUIE] a distinguished and able member of the Committee on Agriculture, did not have an opportunity to speak in support of the amendments he offered to the bill. The gentleman from Minnesota [Mr. QUIE] and I had given a great deal of thought to some of the shortcomings of the legislation under consideration and felt very strongly that while it moved in the right direction, it needed some further revision. I would have spoken in support of the amend-



ments offered by the gentleman from Minnesota [Mr. QUIE] had there been an opportunity. In my opinion, it is indeed unfortunate that adequate time was not given to the consideration of legislation as important to the American farmers as this wheat bill.

**Bishop Wright's Commencement Address  
at Georgetown University**

**EXTENSION OF REMARKS  
OF**

**HON. BARRATT O'HARA**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1959

Mr. O'HARA of Illinois. Mr. Speaker, for the delightful reading of my colleagues who did not have the good fortune to attend the commencement exercises of Georgetown University on June 8, 1959, I am extending my remarks to include the commencement address of the most Reverend John J. Wright, bishop of Pittsburgh.

I have never known an audience to respond more completely and spontaneously to the words of a speaker as the vast crowd on the lawn at Georgetown, now rippling with laughter at the sallies of an exalted dignitary of the church whose sense of humor was as keen as the edge of a razor, now raising a thunder of applause by the loudest of hand-clapping when the tempo of the oration changed to the serious.

Bishop Wright's address follows:

Most Reverend Archbishop, Reverend Father President, ladies and gentlemen, let me speak for all those honored today by honorary degrees our word of tribute, and congratulations to those who had to earn their degrees.

At about the year when I got myself graduated from Boston College there was a popular song, the lyrics of which promised abiding happiness, unalloyed, to all those who would remember to include in their lives "a little kiss each morning, a little kiss each night."

The advice was mildly potty; it held forth the hope—

"We'll be so happy, we'll always sing,  
If we'll remember one little thing,  
A little kiss each morning,  
A little kiss each night."

It was not entirely without realism. It contemplated some of the sterner possibilities of life:

"Who knows if sorrow may cause us tears,  
An empty cupboard, a night of fears?  
A little kiss each morning,  
A little kiss each night."

Alas, the advice left out the problems of a few of us, who have subsequently managed to scrounge out of life a few scraps of happiness without. And undoubtedly for one and all it was a slight oversimplification of the difficulties of existence in the postgraduate world. However, the lyric has been ringing in my brain for these last few days, so I decided that I might well present some small counsel, such as is expected on these occasions, by echoing at least a bit of the phrasing of the lyrics which have returned to haunt me after these almost three decades.

For one and all, whatever the callings or pursuits to which we will henceforth devote

ourselves, certain signs and circumstances of the times suggest that one offer some more universally applicable counsel than the lyrics that I have recalled to you. For instance, I beg you, as you set forth to make your first million, to write the great American novel, to save the world from communism, or to become the Chief Justice of the United States, I ask you to make early and determined plans to include in your busy and useful lives a little leisure. Before the scramble becomes too intense and too involved, I ask you to reflect on some of the sobering statistics which make very timely the recommendation that you make provision for a little leisure. We are constantly impressed by the citations given out by the junior chambers of commerce, by all manner of organizations in our so intrepid and enthusiastic activist country as to the tremendous numbers of those who make their fortunes and arrive at their posts of trust in church and state before they are, oh, say 40.

I ask you to check some of the insurance company statistics with regard to those who have their first coronary before they are 40, and for the same reasons. I suggest that you dig out from the files of the public library an article which appeared in the Saturday Evening Post 3 years ago which paid tribute to the tremendous numbers of American college and university men and women who arrived very early in life and were buried very shortly later. An article under the title, "The Youngest Men in the Cemetery"—a very sobering article. And I suggest that you read it within a few days of graduation week, before you become involved in what may otherwise deprive you, unless you plan carefully, of a little leisure.

"What is this life if, full of care, we have no time to stand and stare?

No time to stand beneath the boughs and stare as long as sheep and cows.

No time to see in broad daylight, streams full of stars, like skies at night.

No time to turn at beauty's glance, and watch her feet how they can dance.

No time to wait till her mouth can enrich that smile her eyes began.

A poor life this if, full of care, we have not time to stand and stare."

Closely related to this question of leisure in the good and the truly useful life is the question of the important place of mere nonsense in the life of the educated person. One wonders whether a saving sense of humor would not provide as much as almost anything else, save only the faith, that perspective needed to correct some of these grim extremes of our sometimes overly earnest educational and professional work.

In one of America's large cities, one of the very largest, suicide turns up currently as the eighth most frequent cause of death. And the statistics reflecting the number of suicides among the well educated are exceedingly sobering indeed. They would drive a sensitive educator to suicide himself. Such a situation argues many lacks and many limitations among our American intellectuals, but it argues to me in all probability the tragic absence of a sense of humor in the rest of one's educative program and personal growth.

There is a deadly earnestness surrounding the discussion of the current problem of the intellectual life of America and the intellectual life of the Catholic Church, a deadly earnestness which suggests that knowledge and information may be on the increase and wisdom and understanding on the way out.

Education that leaves no time for nonsense is no education at all. In many books on American education which are flooding the markets presently one common note cuts across all differences of progressivism, conservatism, liberalism, aristocracy, classicism, and scientism. It's the appalling absence of any trace whatever of a sense of humor.

Typical is a high-minded report I have in my hands which is entitled "The Pursuit of Excellence—Education and the Future of America." It is the work of a sober group of serious thinkers who are greatly concerned with the greatness of our Nation, its purpose, its courage, its responsibility, its eminence, to quote the prefatory note, and they amass impressive statistics of the work hours needed and the urge of application required if collegiate and university education is to contribute to these so praiseworthy ends. But one asks, as he turns each page, why is it all so deadly earnest? What has become of the humanistic touch that used to betray a humane preoccupation and that revealed itself in an occasional trace of a sense of humor?

Two weeks ago there was a TV panel which brought together a half dozen distinguished educators from all over the country, male and female, and they talked specifically about the education of American university women. Someone asked what place sheer amusement played in the lives of their campuses. Two of the distinguished educators missed the point of the question entirely, three had no comment to make, and one spoke of what she called, with a grim expression on her face, "group diversions." Small wonder that happiness drugs, in the absence of a sense of humor, are being sold in such quantities in the drugstores around so many campuses.

I sometimes think that the students of Harvard University who some years ago hoisted a cow into the belfry learned more in the process of doing so than they had picked up in the lecture halls during their four undergraduate years. In any instance, they got something out of their systems—and that's part of education, too. And I secretly suspect that if they avoided the detection of the dean's office they are now on the board of overseers as the ones most likely to contribute by reason of their initiative and sheer intelligence to the stability and the future of the university.

I suggest that we find place in our professional lives for a little nonsense. I ask too that you reflect on the need for a little impatience—a little impatience with the things that we can change for the better, above all ourselves, but also certain aspects of the society to which as people privileged to pursue so many years of study we are so genuinely indebted.

There is a danger that with the status and the success that you will in all probability have, there may come complacency with the world around you and a certain smugness with yourself. Nothing could be more deadly. And so I offer you the pearl of a devout Jew for your meditation:

"Open my eyes to visions set with beauty and with wonder lit,

But let me always see the dirt and all the spawn that die in it.

"Open my ears to music; let me thrill with spring's first flutes and drums,

But never let me dare forget the bitter ballads of the slums.

"From compromise and things half done, keep me, oh God, with stern and stubborn pride.

"And when at last the fight is won God keep me still unsatisfied."

And not at all inconsistent with this divine discontent is the further gift I beg you to develop. It is the gift of a little patience—a little patience with the resistance of fallen nature and rebellious history to our benevolent purposes and our sometimes overpat practical solutions for the world's woes. Most of us belong to the revolutionary people, like the Irish, or the warm-blooded races, like the Latin, and so we tend to sign up fairly rapidly in any crusades—crusades for economic, political and related changes designed to solve by a speech or two, or a









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
  
(For Department,  
Staff Only)

## CONTENTS

Issued June 17, 1959  
For actions of June 16, 1959  
86th-1st, No. 99

Appropriations.....	7,8
Budget.....	17,23
Conservation.....	22
Contracts.....	11
Disaster relief.....	1
Economic conditions.....	18
Electrification.....	25
Family farms.....	34
Farm labor.....	15
Farm program.....	21
Feed and seed.....	1
Flood control.....	26
Foreign affairs.....	28
Foreign aid.....	2,20,27
Forestry.....	30
Interest rates.....	19
Lands.....	30
Minerals.....	12
Mutual security....	2,20,27
Personnel.....	35
Postal service.....	16
Poultry.....	34
Price supports.....	3
Public debt.....	6,31
Reclamation.....	5,12,24,32
Research.....	4,9
Small business.....	33
Surplus food.....	21
Taxation.....	14
Transportation.....	10,29
Watersheds.....	13
Wheat.....	3

HIGHLIGHTS: House subcommittee voted to report bill to require State contributions to feed and seed costs in disaster areas. House debated mutual security authorization bill. Senate committee reported Commerce appropriation bill. Rep. Brown, Mo., introduced and discussed bill to provide emergency relief to family farm poultry and egg producers.

## HOUSE

1. DISASTER RELIEF. The Livestock and Feed Grains Subcommittee of the Agriculture Committee voted to report to the full committee with amendment H. R. 6861, to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas. p. D485
2. MUTUAL SECURITY. Concluded general debate on H. R. 7500, to extend the mutual security program. pp. 9862-9906
3. WHEAT. The "Daily Digest" states that "Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of S. 1968, to strengthen the wheat marketing quota and price support program, but did not reach final agreement, and will meet again tomorrow." p. D486
4. RESEARCH. The Agriculture Committee reported with amendment H. R. 6436, to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants (H. Rept. 552). p. 9916

5. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 968, to provide for the construction by Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Ore. (H. Rept. 553). p. 9916

6. PUBLIC DEBT. The Ways and Means Committee reported without amendment H. R. 7749, to provide for an increase in the public debt limit (H. Rept. 556). p. 9916

Rep. Zelenko criticized the administration proposal to increase the public debt limit and the interest rates on Government bonds as "inflationary," and urged a "freeze of commercial interest rates on mortgages and loans for a period of at least 5 years." pp. 9909-10

#### SENATE

7. DEFENSE APPROPRIATION BILL FOR 1960. The Appropriations Committee reported with amendments this bill, H. R. 7349 (S. Rept. 397). p. 9922

8. LEGISLATIVE APPROPRIATION BILL FOR 1960. The Appropriations Committee reported with amendments this bill, H. R. 7453 (S. Rept. 398). p. 9922

9. RESEARCH. Sen. Neuberger stated that "the need to provide Federal funds adequate to insure development of new methods for producing better crops more efficiently and protecting existing strains from disease and natural hazard has been strongly impressed upon me," expressed satisfaction concerning Senate action on ARS appropriations, made reference to soil and water conservation research recommendations submitted by USDA, and inserted several items on the subject. pp. 9960-2

Received from this Department a report on the State Agricultural Experiment Stations, 1958. p. 9919

10. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 1509, to amend the Interstate Commerce Act to provide "grandfather" rights (preference rights for carriers in operation in the past) for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States and for certain water carriers operating within Alaska (S. Rept. 399). p. 9922

11. CONTRACTS. The Finance Committee voted to report (but did not actually report) with amendments H. R. 7086, to extend the Renegotiation Act of 1951. p. D484

12. RECLAMATION; MINERALS. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments two bills: S. 281, authorizing construction of a regulating reservoir at the Burns Creek site in the Upper Snake River Valley, Idaho; and S. 1285, to provide for the development of the domestic fluorspar industry, including barter under Public Law 480. p. D484

13. WATERSHEDS. Received from the Ohio Legislature a resolution urging Congress to take action to assure the continuance of surveys and planning of flood prevention and water and soil conservation projects in Ohio, and to make funds available to SCS and other agencies for this purpose. p. 9920

14. PAYMENTS IN LIEU OF TAXES. Received from the Maryland Senate and House resolutions urging favorable action on S. 910, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property and to create a Board to study this problem. pp. 9920-1









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 18, 1959  
For actions of June 17, 1959  
86th-1st, No. 100

Acreage allotments.....	34		
Advisory commission.....	24		
Appropriations.....	5,7,8,11,13		
Budget.....	13,15		
Buildings.....	16		
Conservation.....	31		
Cotton.....	34		
Economic conditions.....	6		
Electrification.....	26		
Farm program.....	23		
Food additives.....	29	Loans.....	2,3,14
Food stamps.....	30	Minerals.....	28
Foreign aid.....	13,21	Mutual security.....	13,21
Forestry.....	20	Personnel.....	22
Health.....	22	Poultry.....	3,32
Honey.....	33	Price supports.....	1
Housing.....	2,14	Public debt.....	17,19
Intergovernmental		Recreation.....	20
relations.....	24	School lunch.....	30
Legislative program.....	19	School milk.....	30
		State laws.....	19
		Surplus commodities.....	30
		Surplus property.....	27
		Transportation.....	9
		Veterans benefits.....	2,10,14
		Water pollution.....	25
		Water rights.....	4
		Watersheds.....	18
		Wheat.....	1,12,19
		Wildlife.....	35

**HIGHLIGHTS:** Senate agreed to, and House received, conference report on wheat bill. House debated mutual security authorization bill. Sen. Williams criticized making of FHA loans to poultry producers. Senate debated Commerce appropriation bill. House Rules Committee cleared bill to increase public debt limit.

## SENATE

1. WHEAT. Received and agreed to the conference report on S. 1968, the wheat bill (pp. 10112-17). The conference report summarizes the provisions of the conference substitute bill as follows:

"The conference substitute contains the following major provisions of a temporary nature, applicable only with respect to the 1960 and 1961 wheat crops:

"(1) provides price support at 80 percent of parity;

"(2) reduces each farm acreage allotment by 20 percent below the allotment it would otherwise receive for the crops of 1960 and 1961;

"(3) prevents the diversion of such 20 percent to any other crops receiving price supports by conditioning wheat price support on reducing the acreage of other price supported crops below the 1957-58 average by an acreage equal to the 20 percent reduction in wheat acreage;

"(4) provides a payment in kind (one-third of the average annual yield) on an acreage equal to such 20 percent, if such acreage is not used for the harvest of any crop nor grazed;

"(5) imposes penalties on the actual yield of wheat from acres in excess of the farm acreage allotment (or double the normal yield if the actual yield is not shown);

"(6) increases the marketing penalty on excess wheat from 45 percent of parity to 65 percent of parity;

"(7) reduces the 15-acre exemption to 12 acres, and restricts it to farms which planted wheat in 1957, 1958, or 1959, and to producers who produce wheat on only one farm;

"(8) removes the 30-acre limitation on the feed wheat exemption; and

"(9) restricts to farms which are in compliance with their acreage allotments the right to withdraw and market wheat stored from a previous crop to avoid penalty.

"The conferees substitute makes the following permanent changes in the law:

"(1) limits wheat price support operations to \$35,000 per producer per year;

"(2) repeals the 200-bushel exemption;

"(3) prevents an acreage history penalty where, by reason of production failure, the producer has no marketing excess which he can store to avoid such a penalty;

"(4) repeals the authority for price support to noncooperators with respect to any basic agricultural commodity; and

"(5) repeals a provision requiring the County Agent or the local Committee Chairman to maintain an additional copy of the acreage allotment list for each commodity."

2. HOUSING. Sens. Monroney, Gore, and Clark expressed opposition to a provision in H. R. 2256, to provide additional funds for direct loans for veterans' housing, increasing the interest rate on veterans' housing loans from 4-3/4 to 5-1/4 percent, and contended that sufficient notice was not given Senators prior to consideration and passage of the bill. Sen. Johnson defended his action in scheduling the bill for consideration. pp. 10045-6, 10059-62
3. POULTRY. Sen. Williams, Del., criticized the poultry lending activities of the Farmers Home Administration, Small Business Administration, and other agencies, stated that "an overextension of credit -- financing of an already overexpanded productive capacity -- is largely responsible for the present plight of the poultry industry and inserted a table showing FHA broiler and egg loans." He commended Secretary Benson for rejecting "certain congressional requests that the Government support egg prices by purchasing laying hens and eggs from breeding flocks," but disagreed with the Secretary's position "to slow down in making loans for expanding poultry production" and instead he urged a "stop" to these loans. pp. 10033-5
4. WATER RIGHTS. Received from the California Legislature a resolution urging Congress to recognize state water rights. p. 10022
5. COMMERCE APPROPRIATIONS FOR 1960. Began debate on this bill, H. R. 7349. pp. 10080-1, 10082-90, 10093-9, 10100-12
6. ECONOMIC CONDITIONS. Sens. Clark, Keating, Goldwater, and Proxmire debated current economic conditions, and Sen. Goldwater inserted a table on per capita and total disposable personal income from 1949 to 1958. pp. 10035-8



7. LEGISLATIVE BRANCH APPROPRIATION BILL, 1960. Began and concluded debate on this bill, H. R. 7453. pp. 10090-93
  8. INTERIOR APPROPRIATION BILL, 1960. Sen. Hayden inserted a tabulation on this bill, H. R. 5915, "giving the appropriations for the current year, the budget estimates for 1960, the House allowance, the Senate allowance, and the conference allowance for each appropriation in the bill," and stated that the tabulation on the bill appearing in the Record of Mon., June 15, "is incorrect." pp. 10031-3
  9. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) the following bills: S. 1789, without amendment, to insure the adequacy of the national railroad freight-car supply; S. 1508, with amendments, to provide for economic regulation of the Alaska railroad under the interstate Commerce Act. p. D490
  10. VETERANS. The Subcommittee on Veterans' Affairs of the Labor and Public Welfare Committee voted to report to the full committee without amendment S. 1138, to provide for readjustment assistance to veterans who serve in the Armed Forces, including payments for courses in on-farm training, between Jan. 31, 1955 and July 1, 1963. p. D491
  11. LEGISLATIVE PROGRAM. The "Daily Digest" states that votes will be taken on passage of H. R. 7453, the legislative appropriation bill, and H. R. 7349, the Commerce appropriation bill on Thurs., June 18. p. D489
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- HOUSE
- 
12. WHEAT. Received the conference report on S. 1968, the wheat bill (H. Rept. 560) (pp. 10010-12, ~~10019~~). See Senate items above for a summary of the conference substitute bill and action of the Senate on the report.
  13. MUTUAL SECURITY. Considered amendments to H. R. 7500, to extend the mutual security program (pp. 9984-10010). Rejected, 56 to 94, an amendment by Rep. Dowdy to prohibit any appropriations authorized by the bill which would increase the public debt (pp. 9987-90). Rejected, 56 to 94, an amendment by Rep. Flynt to "require a balanced budget before the provisions of the pending legislation could become effective" (pp. 9990-91).
  14. HOUSING. Concurred in the Senate amendment to H. R. 2256, to authorize \$100 million additional funds for direct veterans' loans in rural areas, and to increase the ceiling on interest rates from 4-3/4 to 5-1/4 percent (pp. 9973-6). This bill will now be sent to the President.
  15. BUDGET. Rep. Zelenko commended the New York World-Telegram and the Scripps Howard newspapers in their "meritorious campaign urging citizens to communicate with their Representatives and Senators to alert them against wasteful appropriations ..."
  16. PUBLIC BUILDINGS. The Public Works Committee reported with amendment H. R. 7645, to provide additional authority to GSA for the construction, alteration, and acquisition of public buildings of the Federal Government (H. Rept. 557). p. 10019
  17. PUBLIC DEBT. The Rules Committee reported a resolution for consideration of H. R. 7749, to increase the public debt limit. p. 10019

18. WATERSHEDS. A subcommittee of the Public Works Committee approved "watershed projects in Georgia and Illinois." p. D493
19. LEGISLATIVE PROGRAM. Rep. McCormack announced that the House would consider Thurs., June 18, H. R. 7749 to increase the public debt limit, and, if the message is received from the Senate, the wheat conference report (S. 1968); and next week, H. R. 3, to establish rules of interpretation concerning the effects of acts of Congress on state laws.

ITEMS IN APPENDIX

20. FORESTRY; RECREATION. Extension of remarks of Sen. Neuberger commending and inserting an article, "National Parks Promised Rescue By Mission 66." pp. A5182-3  
Sen. Neuberger inserted an address by Francis W. Sargent describing the progress being made by the Outdoor Recreation Resources Review Commission. pp. A5199-200
21. MUTUAL SECURITY. Extension of remarks of Sen. Dodd inserting an article, "Foreign Aid For Our Friends But Not For Our Enemies," and stating that the article "is concerned with the inconsistencies of our foreign-aid program," p. A5185-6  
Extension of remarks of Rep. Barr favoring U. S. participation in a "joint movement" with the rest of the free world but stating that "I will not vote to saddle this Nation with a perpetual obligation to develop and to protect the world single-handedly." p. A5238
22. HEALTH; PERSONNEL. Extension of remarks of Sen. Humphrey inserting his recent speech stressing the need for health research programs and favoring proposed legislation to provide a health insurance program for Federal employees. pp. A5197-9
23. FARM PROGRAM. Rep. Latta inserted the results of an opinion poll which included questions on price support and soil bank programs. p. A5204
24. INTERGOVERNMENTAL RELATIONS. Extension of remarks of Rep. Loser inserting Judge Briley's testimony before the Senate Government Operations Committee favoring the establishment of a permanent Advisory Commission on Intergovernmental Relations. pp. A5209-10
25. WATER POLLUTION. Rep. Dingell inserted an editorial favoring H. R. 3610, to amend the Federal Water Pollution Control Act. p. A5223
26. ELECTRIFICATION. Rep. Utt inserted an Electrical Workers Local AFL-CIO article setting forth their favorable position on the partnership development of the power resources of the Trinity division of the Central Valley project. pp. A5234-5

BILLS INTRODUCED

27. SURPLUS PROPERTY. S. 2198, by Sen. Allott (for himself and Sen. Langer), and H. R. 7776, by Rep. Jarman, to amend the Federal Property and Administrative Service Act of 1949; to Government Operations Committees. Remarks of Sen. Allott. pp. 10027-8
28. MINERALS. H. R. 7785, by Rep. Morris of N. Mex., to authorize the granting of mineral rights to certain homestead patentees who were wrongfully deprived of such rights; to Interior and Insular Affairs Committee



## WHEAT PROGRAM

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JUNE 17, 1959.—Ordered to be printed

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Mr. COOLEY, from the committee of conference, submitted the following

## CONFERENCE REPORT

[To accompany S. 1968]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

*That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:*

*"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 80 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 20 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended: Provided, however, That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agri-*

cultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect acreage history preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 20 per centum reduction in the farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 20 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 80 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: Provided further, (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000, (2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or



any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3)."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: Provided, however, That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (12)), shall not be applicable with respect to the 1960 and 1961 crops of wheat.

(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment, an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

SEC. 3. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c)(1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 20 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new



notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

"(1) to which a wheat marketing quota is applicable; and

"(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

"(3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

(d) Section 362 is amended by deleting the second sentence thereof.

(e) Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

SEC. 4. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

SEC. 5. This Act may be cited as the "Wheat Act of 1959".

And the House agree to the same.

HAROLD D. COOLEY,

W. R. POAGE,

GEORGE M. GRANT,

CARL ALBERT,

*Managers on the Part of the House.*

ALLEN J. ELLENDER,

OLIN D. JOHNSTON,

SPESSARD L. HOLLAND,

HUBERT H. HUMPHREY,

MILTON R. YOUNG,

KARL E. MUNDT,

*Managers on the Part of the Senate.*

## STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

House action was on H.R. 7246, following which the Senate bill was taken from the Speaker's table and amended by striking out all after the enacting clause and substituting the language of H.R. 7246 as passed by the House. The amendment reported herewith combines the provisions of the Senate bill and the House amendment and was agreed to by the conferees as a substitute for the House amendment.

### EFFECT OF THE BILL

The overall effect of the bill as agreed upon by the conferees and reported herewith will result in a wheat program for the years 1960 and 1961 which will—

- (1) reduce wheat production an estimated 200 million to 300 million bushels per year;
- (2) result in a cash saving to the Government of an estimated \$150 million to \$200 million per year.

### SHORT EXPLANATION OF CONFERENCE SUBSTITUTE

The conference substitute contains the following major provisions of a **temporary** nature, applicable only with respect to the 1960 and 1961 wheat crops:

- (1) provides price support at 80 percent of parity;
- (2) reduces each farm acreage allotment by 20 percent below the allotment it would otherwise receive for the crops of 1960 and 1961;
- (3) prevents the diversion of such 20 percent to any other crops receiving price supports by conditioning wheat price support on reducing the acreage of other price-supported crops below the 1957-58 average by an acreage equal to the 20 percent reduction in wheat acreage;
- (4) provides a payment in kind (one-third of the average annual yield) on an acreage equal to such 20 percent, if such acreage is not used for the harvest of any crop nor grazed;
- (5) imposes penalties on the actual yield of wheat from acres in excess of the farm acreage allotment (or double the normal yield if the actual yield is not shown);
- (6) increases the marketing penalty on excess wheat from 45 percent of parity to 65 percent of parity;
- (7) reduces the 15-acre exemption to 12 acres, and restricts it to farms which planted wheat in 1957, 1958, or 1959, and to producers who produce wheat on only one farm;



(8) removes the 30-acre limitation on the feed wheat exemption; and

(9) restricts to farms which are in compliance with their acreage allotments the right to withdraw and market wheat stored from a previous crop to avoid penalty.

The conference substitute makes the following **permanent changes** in the law:

(1) limits wheat price support operations to \$35,000 per producer per year;

(2) repeals the 200-bushel exemption;

(3) prevents an acreage history penalty where, by reason of production failure, the producer has no marketing excess which he can store to avoid such a penalty;

(4) repeals the authority for price support to noncooperators with respect to any basic agricultural commodity; and

(5) repeals a provision requiring the county agent or the local committee chairman to maintain an additional copy of the acreage allotment list for each commodity.

#### COMPARISON WITH HOUSE AMENDMENT

The acreage reduction and price support provisions of the bill follow the House amendment, including the denial of price support on wheat if the diverted acreage is devoted to any other crop eligible for price support, a payment in kind if the diverted acreage is not used for the production of any crops whatever nor grazed, and limitation of price supports to the commercial wheat-producing area. The major differences between the House amendment and the conference substitute are that the level of price support is 80 percent (instead of 90 percent in the House amendment) and the required reduction in acreage is 20 percent (instead of 25 percent as in the House amendment).

The House provision providing price support for noncooperators if marketing quotas for wheat should be disapproved is not contained in the conference substitute. In its place, the conferees adopted the Senate provision which will have the effect of prohibiting price support to noncooperators with respect to any basic commodity. If marketing quotas should be disapproved, price support at 50 percent of parity would be made available only to cooperators. The conference substitute will make no change in the existing provision of law which fixes the minimum CCC resale price for wheat at 105 percent of the current support price, plus carrying charges.

In order to qualify for the payment in kind provided by the conference substitute, the producer is required, in accordance with regulations prescribed by the Secretary, to designate an acreage on the farm equal to the 20 percent reduction in the farm wheat acreage allotment. A great deal of authority has been left in this matter to the discretion of the Secretary. The intention of the conferees is that an acreage of cropland approximately equal in productive capacity to the producer's wheat acreage shall be designated, but experience under the Soil Bank Act has shown that it is difficult to spell out this intention within the rigid framework of law. The conference therefore leaves it to regulation, which may be adapted to new cases or problems as they arise. The Secretary is authorized and is expected to issue such regulations

as may be necessary to effect the reduction in production contemplated by this provision.

The conference adopted the Senate provision relating to production of wheat on acreage in excess of acreage allotments. Under this provision any wheat produced on excess acreage will be considered farm marketing excess and subject to penalty. Under the House amendment, the marketing excess would have been reduced to zero if the total production on the allotted and excess acres did not exceed the normal production of the allotted acres.

The conference substitute contains the Senate provisions restricting the 15-acre exemption to 12 acres in 1960 and 1961. This permits any producer who has harvested wheat in 1957, 1958, or 1959, except producers operating more than one farm, to take full advantage of the 12-acre exemption. The House provision would have restricted the exemption to 12 acres or the highest acreage planted on the farm in the immediately preceding 3 years.

The conference substitute makes no change in the provisions, common to both the Senate and House bills, permitting a producer to grow as much wheat as he wants if he uses it all on the farm where it is produced.

With respect to eligibility for voting in the referendum on wheat marketing quotas, the conference substitute follows the Senate bill, which made no change in existing law. Under the conference substitute, producers who will be subject to the marketing quotas upon which the referendum is held will be eligible to vote in that referendum. Thus, all producers who are affected by the temporary reduction in the exemption from 15 acres to 12 acres will be eligible to vote in the referendum to be held next July on the 1960 wheat crop.

HAROLD D. COOLEY,  
W. R. POAGE,  
GEORGE M. GRANT,  
CARL ALBERT,  
*Managers on the Part of the House.*





last year Congress authorized the construction of these two superliners. I think that was done over the objection of the Senator from Delaware [Mr. WILLIAMS], the Senator from Ohio, and myself. Frankly, I think it was a great mistake to authorize their construction, and I think it would be a great mistake to construct them. It is true that they might have some use in wartime. But, Mr. President, as one has cruised the seas a little, I would say that the world is oversupplied with luxury steamships.

As the Senator from Delaware has said, the construction of these two ships will ultimately cost the taxpayers \$250 million. Once we take this first "drink," once we make this initial appropriation of \$1,250,000, we are gone; we cannot "swear off," and say we will stop it. No, Mr. President, once this first step is taken, one appropriation will follow another, and ultimately a quarter of a billion dollars will go down the drain.

Personally, I believe that \$250 million could be spent for better purposes, in other directions. The present superliners are not really obsolete. I believe it would be much better to spend that money for human welfare. As I said in connection with the discussion of the ship-operation subsidies, it is extraordinary that those who do not favor providing a dollar to help the sick, the poor, the starving, the uneducated, the poorly housed—those who will vote down any appropriation for such purposes—will, nevertheless, vote for these huge subsidies for business. I wish to make clear that I do not include in my statement the Senator from Washington, because he has not followed that policy.

The business interests of the country, which demand a balanced budget, and are opposed to help for those in need, are themselves receiving in many cases more subsidies than almost any other group, by means of the various types of subsidies which are poured out; and in that connection let me refer to the subsidy for the second-class mail, the subsidy for the third-class mail, the subsidy for ship construction and operation, the airline subsidies, the whole gamut of subsidies, which, in total amount, involve a tremendous sum of money. In fact, I once figured the total as more than a billion dollars a year.

Personally, I believe in helping the hungry, the sick, the poor, those who are badly housed, those who are undereducated. I think such aid is productive in terms of really being of help to human beings.

But I do object most distinctly and definitely to pouring \$250 million into the construction of two superliners and helping those who do not need such aid.

All of us have crossed the Atlantic in such superliners. We know how luxurious their construction is—the luxurious cabins, dining rooms, lounges—the whole accoutrements; and nation competes with nation in seeing how lavish such ships can be.

Mr. President, those two ships would not primarily be troopships. No troops ever crossed first class on the *Queen Mary*.

So, Mr. President, I submit that, just as it would have been a good policy for Rip Van Winkle not to have taken that first drink, so it will be an extremely good policy for the United States not to take the "first drink"—which in this case would amount to an expenditure of \$1,250,000 but which ultimately will cost us \$250 million.

Mr. WILLIAMS of Delaware. Mr. President—

Mr. DOUGLAS. Mr. President, I yield 5 minutes to my friend, the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I wish to speak briefly in support of the amendment.

Not only is the amendment approved by the Bureau of the Budget; but in addition, if we do appropriate the \$1,250,000, we shall have appropriated that much money to pay on a contract which has not yet been signed. As I understand, there is no precedent for such procedure; and I think it would be a very dangerous precedent to establish.

A year ago, Congress authorized the construction of the two ships at a cost of approximately \$200 million. Congress provided that after the Maritime Commission decided to build the ships it would request of the Congress an appropriation before the contract was signed.

The contract has not been signed; yet here we are asked to appropriate a downpayment.

Certainly Congress should not appropriate \$1,250,000 to make a downpayment on a contract which has not been signed. If that is done, Congress will be indirectly committing itself to pay for construction of the two ships, which will cost anywhere from \$100 million to \$200 million, and will be making a payment on them although Congress does not have any idea what they will cost. Certainly that would be an absurd way to handle the public business. Certainly it would be ridiculous to make a payment on two ships before the contracts for their construction were worked out and before their cost was known.

If the Maritime Commission later requests an appropriation for the construction of the two ships and if Congress decided to have them built that would be different.

But certainly we should not depart from the orderly method of handling appropriations.

Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, I dislike to use any time at all at this point; but I desire to tell the Senate what has happened.

In the first place, the Senate authorized these two expensive vessels, one for the Pacific and one for the Atlantic, as replacements for present vessels.

In the second place, when Congress did that, it knew that we had paid \$109 million for the use of the two *Queens* as troop transports during World War II,

because we did not then have any large vessels of our own.

Third, it was clearly understood that when these two vessels were designed, many national-defense features would be incorporated in their designs.

The witnesses stated, furthermore, that the designs of these two ships had been authorized in writing, and that regardless of whether the ships were built, the Government was obligated to pay for their designs; and the purpose of doing that was to save 6 months in the construction of the vessels—to speed up their construction to that extent—once their construction was actually contracted for. They stated in no uncertain terms that the General Accounting Office had said the Government was obligated to pay that amount. The amount was much larger than that involved in the cost of small vessels, and they did not want to set a precedent. After the House had acted, representatives of the Board came before the committee and told us they were instructed not to object to the item, but to let it remain. It was stated there was a moral and legal obligation to have it remain.

The question is whether there will be appreciated the fact that there was a 6-month speeding up of the plans. I do not think there is any question about that, and I think we should stand by the House action in adopting this item.

Mr. President, I yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting the Senator from Colorado [Mr. CARROLL], the Senator from New



Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Nevada would vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Wyoming would vote "nay."

On this vote, the Senator from Kansas [Mr. SCHOEPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Wisconsin [Mr. PROXMIER] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Wisconsin would vote "yea" and the Senator from Montana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. WILEY], the Senator from Kansas [Mr. SCHOEPEL], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

I also announce that the Senator from Iowa [Mr. MARTIN] is absent because of illness.

I further announce that the Senator from Kansas [Mr. CARLSON] and the Senator from Utah [Mr. BENNETT] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

On this vote, the Senator from Kansas [Mr. SCHOEPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 20, nays 41, as follows:

## YEAS—20

Aiken	Douglas	Mundt
Allott	Dworshak	Prouty
Bush	Goldwater	Randolph
Case, S. Dak.	Gruening	Smith
Cotton	Hruska	Thurmond
Curtis	Keating	Williams, Del.
Dirksen	Lausche	

## NAYS—41

Anderson	Cannon	Clark
Bartlett	Capehart	Dodd
Beall	Case, N.J.	Eastland
Byrd, W. Va.	Church	Ellender

Engle	Johnston, S.C.	Morse
Ervin	Jordan	Muskie
Hart	Kennedy	Pastore
Hartke	Kerr	Saitonstall
Hayden	Kuchel	Scott
Hennings	Magnuson	Stennis
Holland	Mansfield	Talmadge
Jackson	McCarthy	Williams, N.J.
Javits	McGee	Yarborough
Johnson, Tex.	McNamara	Young, Ohio

## NOT VOTING—36

Bennett	Green	Murray
Bible	Hickenlooper	Neuberger
Bridges	Hill	O'Mahoney
Butler	Humphrey	Proxmire
Byrd, Va.	Kefauver	Robertson
Carlson	Langer	Russell
Carroll	Long	Schoepel
Chavez	Martin	Smathers
Cooper	McClellan	Sparkman
Frear	Monroney	Symington
Fulbright	Morton	Wiley
Gore	Moss	Young, N. Dak.

So the amendment offered by Mr. DOUGLAS (for himself and Mr. WILLIAMS) was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time.

### STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, the conferees worked on this report for 2 successive days, and finally came to agreement.

It will be recalled that under the Senate version of the bill those farmers who desired to plant their full farm acreage allotments would receive price support at 65 percent of parity; those farmers who desired to cut the acreage planted 10 percent below their allotments would receive 75 percent of parity; and those

farmers who desired 80 percent of parity—

Mr. BYRD of West Virginia. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Louisiana may proceed.

Mr. ELLENDER. Those farmers who desired 80 percent of parity would agree to cut their acreage 20 percent below their acreage allotments.

The House bill provided for price supports at 90 percent of parity and a 25 percent cut in each farm acreage allotment.

The conferees compromised their differences by providing for price support of 80 percent of parity with a 20 percent cut in farm acreage allotments.

The conferees also agreed that in order to prevent the diversion of such 20-percent cut in acreage to the production of other crops, the farmer would get wheat price support only if he did not plant the acreage representing the 20-percent cut to other price-supported crops. Further if he did not plant those acres to any crops whatever for harvest and did not graze them, he would receive in kind one-third of the average annual wheat yield for the number of acres representing the 20-percent cut.

The rest of the bill is almost identical to that which the Senate voted upon last week.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD of West Virginia. I cannot hear what the Senator from Louisiana is saying. I should like to know what the Senator is talking about.

The PRESIDING OFFICER. The Senator from Louisiana may proceed.

Mr. ELLENDER. We tightened up the marketing penalty by raising the rate of penalty to 65 percent of parity instead of 45 percent, as now provided in the law.

The 15-acre exemption was reduced to 12 acres and was otherwise restricted as provided in the bill passed by the Senate.

Repeal of the 30-acre limitation on the feed wheat exemption was also agreed to. If the conference report is agreed to, that provision will become the law.

All of the provisions I have just discussed are limited to the 1960 and 1961 crops, as they were in the Senate bill.

The limitation on the amount of price support for wheat provided by the conference substitute is \$35,000 per producer per year.

Mr. President, I believe that covers what the conferees did. I ask unanimous consent to have printed in the RECORD at this point a full explanation of the conference substitute and comparison of the provisions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### SHORT EXPLANATION OF CONFERENCE SUBSTITUTE

The conference substitute, with respect to the 1960 and 1961 wheat crops, would—



1. Provide price support at 80 percent of parity;
  2. Reduce each farm acreage allotment by 20 percent;
  3. Prevent the diversion of such 20 percent to other price supported crops (by conditioning wheat price support on reducing the acreage of price supported crops below the 1957-58 average by an acreage equal to such 20 percent);
  4. Provide a payment in kind (one-third of the average annual yield) on acreage equal to such 20 percent, if such acreage is not harvested or grazed;
  5. Impose penalties on the actual yield of the excess acres (or double the normal yield if the actual yield is not shown);
  6. Increase the marketing penalty to 65 percent of parity (from 45 percent);
  7. Reduce the 15-acre exemption to 12, and restrict it to farms which planted wheat in 1957, 1958, or 1959 and to producers who produce wheat on only one farm;
  8. Remove the 30-acre limitation on the feed wheat exemption; and
  9. Restrict to farms complying with their allotments the right to withdraw wheat stored from a previous crop to avoid penalty.
- The substitute would, permanently—
- (A) Limit wheat price support to \$35,000 per producer per year;
  - (B) Repeal the 200-bushel exemption;
  - (C) Prevent an acreage history penalty where, by reason of production failure, the producer has no marketing excess which he can store to avoid such a penalty;
  - (D) Repeal authority for price support for noncooperators for any basic agricultural commodity; and
  - (E) Repeal a provision requiring the county agent or the local committee chairman to keep an additional copy of the acreage allotment list for each commodity.

#### COMPARISON OF CONFERENCE SUBSTITUTE WITH SENATE BILL AND HOUSE AMENDMENT

The conference substitute provides for 1960 and 1961 wheat price support at 80 percent of parity with a 20-percent reduction in acreage allotments. These provisions are in lieu of the Senate provisions for support at 65 percent with no cut, 75 percent with a voluntary 70-percent cut, and 80 percent with a 20-percent cut, and in lieu of the House provision for 90-percent support with a 25-percent cut. Like the House amendment, the substitute provides for diversion from all price supported crops of the acreage representing the 20-percent cut, provides for a payment in kind equal to one-third of the average annual yield of the diverted acres, if they are diverted from all annual crops and grazing in addition to being diverted from price supported crops, and prevents the diverted acreage from being put in the conservation reserve. The House provision providing price support for noncooperators if marketing quotas should be disapproved is not contained in the substitute. If marketing quotas should be disapproved, price support at 50 percent of parity would be made available only to cooperators, as provided by existing law. No change was made in the existing provision of law which fixes the minimum Commodity Credit Corporation resale price for wheat at 105 percent of the current support price, plus carrying charges.

In order to qualify for the payment in kind provided for by the House provision contained in the conference substitute, the producer is required, in accordance with regulations prescribed by the Secretary, to designate an acreage on the farm equal to the 20-percent reduction in the farm acreage allotment. A great deal of authority has been left in this matter to the discretion of the Secretary. The intention of the conferees, of course, is that an acreage of cropland approx-

imately equal in productive capacity to the producer's wheat acreage shall be designated, but experience under the Soil Bank Act has shown that it is difficult to spell out this intention within the rigid framework of law. The conference therefore leaves it to regulation, which may be adapted to new cases or problems as they arise. The Secretary is expected to issue such regulations as may be necessary to effect the reduction in production contemplated by this provision.

The House provision for a \$35,000 limitation on wheat price support was adopted in lieu of the Senate limitation on price support for all commodities.

Under the conference substitute the marketing excess, where actual production is shown, would be the actual production of the excess acres, whatever it might be. This conforms to the Senate bill and differs from the House amendment in that the House amendment reduced the marketing excess to zero whenever the total production on the allotted and excess acres did not exceed the normal production of the allotted acres.

The marketing penalty would be increased to 65 percent of parity, from 45 percent, that being the effect of both the Senate bill and the House amendment.

The Senate provisions reducing and restricting the 15-acre exemption are contained in the substitute. These provisions do not affect the provision in both the Senate and House bills and the conference substitute permitting a producer to produce as much wheat as he wants if he uses it all on the farm where produced.

The Senate provision restricting to farms complying with their allotments the right to withdraw penalty wheat from storage was adopted.

The Senate provision repealing authority for price support for noncooperators in the case of any basic agricultural commodity is contained in the substitute.

The substance of the House provision providing that a producer shall not suffer an acreage history penalty where, because of underproduction, he has no marketing excess to store in order to avoid the penalty is contained in the substitute.

The substitute would repeal the 200 bushel exemption permanently, as provided by the House, rather than for only 2 years as provided by the Senate.

No change would be made in the existing law prescribing eligibility for voting in the quota referendum.

House provisions repealing obsolete provisions and repealing a duplicate recordkeeping requirement are also contained in the substitute.

Both the Senate bill and the House amendment restrict wheat price supports in 1960 and 1961 to producers in the commercial wheat producing area. The Senate bill contained a very clear specific provision on this point. The House amendment provided that price support would be available only if "the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment." Farms do not have wheat acreage allotments in the noncommercial area and therefore farms in such area cannot qualify for price support under the bill. This provision of the House amendment was contained in the first section of the House amendment. The first section of the conference substitute follows the first section of the House amendment and therefore adopts the language of the House amendment on this point. I have described this situation to make it clear that the conference substitute provides wheat price support for 1960 and 1961 only in the commercial area.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. LAUSCHE. Will the Senator from Louisiana state what was the difference between the Senate bill and the House bill in dealing with the use which might be made of the acreage which was taken out of production, in order to obtain increased compensation?

Mr. ELLENDER. The House provided that those farmers who cut acreage 20 percent, if nothing at all were planted on that acreage, would be paid in kind, out of the Commodity Credit Corporation stocks, one-third of the average annual wheat yield for the farm multiplied by the number of acres represented by the reduction.

Mr. LAUSCHE. Was that provision in the original House bill?

Mr. ELLENDER. Yes. We accepted the House provision.

Mr. LAUSCHE. The Senate bill contemplated giving to the farmer the right to plant the acreage taken out of production. That is correct, is it not?

Mr. ELLENDER. There was no such payment-in-kind provision in the Senate bill; the Senator is correct.

Mr. LAUSCHE. There was no restriction against the use of the acreage taken out of production?

Mr. ELLENDER. The Senator is correct. The Senate bill contained no such restriction.

Mr. LAUSCHE. So the conferees agreed to accept the House version?

Mr. ELLENDER. The Senator is correct.

Mr. President, if the conference report is agreed to, the end result will be a reduction in acreage of about 11 million acres. If we take into consideration the conservation reserve acres amounting to 2½ million, which will not be planted to wheat, it will mean a total reduction in the wheat planting this year of 13½ million acres. With the reduction in the 15-acre exemption provision, and other tightening of the law, I estimate that the total reduction in the production of wheat will amount to about 250 million to 300 million bushels. As a result the cost of the program will be reduced by about \$150 million to \$200 million each year.

Mr. President, I hope the conference report will be agreed to.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Is it not correct to say that the prospective reduction of production of wheat to be achieved in this way will be far greater than that to be achieved by way of the soil bank, and that it will be achieved at much less expense?

Mr. ELLENDER. There can be no question about that, I will say to my good friend from South Dakota.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I should like to invite the attention of the Senate to the fact that, in regard to the 15-acre exemption being reduced to 12 acres, no new farmers can take advantage of that.

Mr. ELLENDER. That was a provision in the Senate bill.



Mr. AIKEN. Mr. President, I had hoped very much that we might enact legislation which would alleviate the wheat situation and reduce our surpluses somewhat.

Mr. ALLOTT. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Vermont may proceed.

Mr. AIKEN. Mr. President, I had hoped that could be done without seriously affecting farm income. For that reason, I voted for the bill which was before the Senate a couple of weeks ago, in the hope that when the bill reached the House it would be modified sufficiently so as to overcome my objections. However, that has not been done, and I should like to say why I was unable to sign the conference report on the bill.

The bill provides for price supports at 80 percent of parity, which means raising the support price on wheat about 11.9 cents a bushel above what it would otherwise be at the 75 percent of parity level, at a time when other countries are increasing their production and the price trend all over the world is downward. It does not appear to me that this is the time to undertake to raise prices or to increase support prices.

The conference bill would require each farmer to reduce his wheat acreage allotment by 20 percent. It will mean less money, less gross income, for the wheat farmer if he has to reduce his acreage allotment by 20 percent and receive 80 percent of parity price support, compared to what he would receive under the law as it is now, or even compared to what he would receive if he were authorized to plant 100 percent of his allotment and were paid 65 percent of parity.

So I could not approve the conference report, because it would have the effect of reducing farm income. As we reduce production and the number of allotted acres on a farm and with the highly mechanized production of today and the high overhead costs, we increase the costs of producing each bushel, so the farmers' net income would also be further reduced.

The bill provides that if the farmer decides to leave unplanted the 20 percent which he is required to take off his wheat allotment, and plants nothing at all on it, he may be paid in wheat, to the extent of one-third of the amount which he has been raising on such land over the last 3-year period. This would not necessarily reduce production, because he would not be obliged to do that. He could simply plant his 80 percent of a normal allotment of wheat, and plant the rest of the farm in sorghum, corn, oats, soybeans, or whatever he wished. He would be penalized only to the extent that he could not get price supports on that part of his wheat allotment which he is permitted to plant legally. So I doubt if the final result would be much of an overall reduction in the production of all grains, including wheat and feed grains, because most farmers, when they can do so, prefer to plant a crop of sorghum, at 50 bushels to the acre, or corn,

at 100 bushels to the acre, rather than to take pay for wheat at 8 bushels to the acre for not raising anything at all.

There are many features in the bill which are good and desirable. I would like to have them enacted by themselves, because I see no reason why they should not be adopted. However, they are tied in with other provisions to which I cannot agree.

There is one provision which limits price support for wheat to \$35,000 a year for a single producer. I think it is unfair to single out wheat for such a limitation. We are letting peanuts, cotton, tobacco, corn, tung oil, and naval stores, some of which run into tremendous figures, go scot free, so far as a limitation is concerned; but we place a \$35,000 limitation on the wheat farmer.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS of Delaware. I wish to commend the Senator from Vermont for what he has just said in connection with the \$35,000 limitation. I was the author of the amendment which reduced the limitation to \$35,000. Certainly, in all fairness to the wheat farmer and all other farmers, it should be applicable to all farmers on the basis of equality.

As I pointed out in the debate at the time the bill was passed, there was one cotton operation in the South which was drawing more than \$1¼ million in support loans, and it was not even owned by American citizens. Under this proposal, we shall continue to pay \$1 million to \$1.5 million in supports to non-American citizens who are producing cotton at the same time we are restricting the American citizen who is producing wheat. I do not believe that such discrimination can be justified by any line of reasoning. I am in favor of the amendment, but it should have been made applicable to all commodities.

Mr. AIKEN. The Senator is correct. There is no reason in the world why the wheat farmer should be singled out for this particular type of penalty.

I expect that the conference report will be approved by the Senate. I believe that a majority of Senators present will favor it. The bill will probably be sent to the White House.

It is with something of a sense of futility that I see this action taken, although I cannot say with certainty what the result would be if no legislation were passed at this time. We would continue for another year under the present law. It might be that we would accumulate another 200 million bushels of surplus wheat during the next year under the present law. It is possible that we might not. We have had many good years in succession, which have resulted in our accumulating a very large supply of wheat—not only reserves, but surplus as well.

However, some good comes from that. I believe that America's surplus stores of wheat have done more than anything else to stabilize the political and economic situation around the world. I know that the supply of wheat which we have had, and which we have turned over to other countries as the need has indi-

cated, has prevented inflation, hoarding, poverty, and possibly famine in some countries. There are worse things than having surpluses. There are worse things than having enough to eat and wear and a little more.

So, rather than support a measure which I feel would not improve the situation, and would discriminate against the wheatgrower, and possibly get us into more trouble than we are in now, I would much rather continue for another year under the present law. There are hazards involved in that course, but there are hazards involved in connection with this bill, as well.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield for a question.

Mr. CURTIS. What would the support price be if this legislation were not enacted?

Mr. AIKEN. It would be 75 percent of parity. I think that is about \$1.78 a bushel. If this bill should become law, the support price of wheat would be about \$1.90, or 11.9 cents a bushel more than it would be if no new legislation were enacted at this time.

Mr. CURTIS. Would the support price go below 75 percent of parity if no new legislation were enacted?

Mr. AIKEN. No; it would not.

Mr. CURTIS. Let me ask one further question. Who makes the election as to whether or not to reduce by 20 percent? Is it the individual farmer, or is there to be a referendum?

Mr. AIKEN. Each wheatgrower will be required to reduce his acreage allotment by 20 percent. If he plants nothing on such diverted land, he may be paid in kind at the rate of one-third of the amount of wheat which he would probably raise on that land. If he desires to plant it to corn, sorghum, or some other crop, then he will not receive support on that part of his normal allotment which he is permitted to plant, namely, 80 percent.

However, there are some parts of the country where, notwithstanding the surplus, the price in the general market has not gone below the support level for some years. I refer to the area in western Kansas and Nebraska, and parts of the Dakotas and Montana, where the price has held up very well. In those areas there would be a tendency to plant all the acreage allowed for wheat, forego the supports, and plant the diverted acreage to some other crop, depending upon the open market for wheat.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HRUSKA. In the areas to which the Senator has just referred, there would be a tendency to produce as much as possible, which would militate against the overall reduction in production.

Mr. AIKEN. I think there would be as much wheat as the farmers were permitted to produce, and also as much sorghum, corn, oats, barley, or soybeans as could be produced on the other land.

Mr. HRUSKA. To the extent that happened, the objective of the bill, to reduce production of wheat, would be defeated.



Mr. AIKEN. Yes. That is why I am not approving the conference report. I believe the Senator from Nebraska is entirely correct.

Mr. GOLDWATER. Mr. President, will the Senator from Vermont yield to me in order that I may request the yeas and nays on the conference report?

Mr. AIKEN. I yield.

Mr. MANSFIELD. Mr. President, will the Senator yield at that point?

Mr. AIKEN. I yield.

Mr. MANSFIELD. It was hoped that we could dispose of the conference report without a yeas-and-nays vote, and certain Senators were given that assurance.

Mr. GOLDWATER. Also, we were given the assurance that there would be no votes tonight.

Mr. MANSFIELD. That is correct.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were not ordered.

Mr. HOLLAND. Mr. President, I do not believe that any member of the conference committee, either from the Senate or from the House, believes that the bill as it comes from the conference is a perfect solution to the wheat problem. I certainly did not think so, and I did not hear any such expression from any other member. However, it seems to me that if we are to face the facts of life in connection with wheat, we must realize that what we are doing now is comparing what we may do under the program in the conference report with what has happened and would continue to happen under existing law.

The Senator from Florida reluctantly approves any increase in the support price, but he thinks that the 80 percent, which is an increase from 75 percent, is more than offset by the reduction by 20 percent in the allotted acreage and the reduction in production thereby brought about; also by the reduction of the small exempt farms from 15 to 12 acres, and also by the reduction that comes from the much heavier penalties on overplanting. I wish Senators to believe me that overplanting has been a very serious addition to our problem.

Under the proposed legislation there is no doubt that we will accomplish two things which we are not accomplishing under the present law. One of those two things is that we will materially reduce the production of wheat in the first year the act will apply, thereby start to cut down the surpluses.

The second thing is that we will materially reduce the cost to the Government of carrying this program.

Both of those things the Senator from Florida believes are values to be sought.

Without pretending that this legislation is perfect or that it offers a full solution to the problem, let me say it will make the first successful attack toward reduction of the surpluses and the first successful attack toward the reduction of the cost to the Government of this program.

Because we exhausted every possibility, the Senator from Florida approved of this report, and has no apologies to make for so doing. He will vote for it because

he believes it gets us somewhere on the trail that we must travel in order ultimately to get rid of the overwhelming surpluses and get rid of the overwhelming expense to the Government.

Mr. MUNDT. Mr. President, as one of the conferees, I should like to tell the Senate that I voted for the conference report with considerable reluctance. I voted for it only because it seemed to me that it was better than the alternatives which confront the country and the wheatgrowers at this time, in view of the generally confused attitude on the part of the various farm organizations interested in the program and the Members of both the Senate and the House.

I would have preferred to have the price support level set higher than 80 percent. At one time it looked in the conference as though we might be able to prevail with a 20-percent reduction of acreage at a price support of perhaps 82½ percent. However, that amendment was voted down. There were other members of the conference who felt that 75 percent was as high as we should set the price support. So finally, as a compromise—as all conferences work out to be compromises—the price support of 80 percent, with a crop reduction of 20 percent, was agreed to.

I believe that the majority of the conferees from the start began their deliberations with the concept in mind that it is imperative that we begin reducing the tremendous wheat surplus, because to fail to do so might jeopardize the entire farm program, not only for the wheat producers, but also for other farmers and other products as well.

Having accepted that concept, we were equally determined that it was manifestly unfair to say to the wheat farmer that, because it is in the public interest and policy that we reduce the surpluses, the wheat producer, the farmer, must pay the costs of that reduction.

We were not interested, in the conference, in trying to reduce farm income. We were not interested in reducing the price the farmer receives for his wheat. That is not the proper way to bring about a reduction in production. We were interested in reducing production. We recognized, in fairness, that if we pull the production down, obviously we must push the price support up, or we do irreparable damage to the farmer.

I have watched with some interest tonight the Senate twice manifest itself by overwhelming yeas-and-nays votes in conformity with the concept that certain interests in this country are entitled to a subsidy, or a floor, or a fixed price.

As the yeas-and-nays votes on this issue will disclose in the CONGRESSIONAL RECORD, when we talk about subsidizing ships and subsidizing salaries and subsidizing wages, no one seems to have any particular qualms about it when speaking for the majority of the Senate. However, when it comes to something so basic as agriculture, we always find persons who are glad to jump up and worry about the fact that a proposal may involve some kind of subsidy.

Because the parity figure fluctuates a good deal, and because the parity formula is so complicated that no Member of the Senate can work it out for himself, we have some deviations as to what this bill is going to do to the price of wheat.

We all believe it will bring about a price of wheat of around \$1.90. I believe that it is going to be about 8 or 9 cents a bushel more than would be received at 75 percent of parity. The distinguished Senator from Vermont [Mr. AIKEN] believes that it will be 11 or 12 cents. But whatever it is, for this little additional income per bushel of wheat the farmer receives, America gets some pretty big dividends from the standpoint of moving in the direction of reducing the tremendous surpluses of wheat. Inadvertently the distinguished chairman of the committee said that it would reduce the surpluses by about 250,000 or 300,000 bushels. I know he meant millions of bushels, and I know the RECORD will be corrected in conformity.

The program not only takes the 20 percent out of production in the Wheat Belt, but it does something that has been badly needed to be done for some time. It starts to bring the wheat production back to the wheat country. It starts to reduce the size of the 15-acre exempt farms. It cuts them also by 20 percent, and reduces them to 12 acres.

It provides, in addition, for a very sharp tightening up against overplanting. I do not believe that what my friend from Omaha envisions can happen, because there is going to be no opportunity or incentive for a farmer to rush in madly and overproduce wheat. The penalties are too severe. He will suffer a loss in historic acreage and a sharp loss in income.

If the farmers approve the legislation in a referendum, as I suspect they will, we will not have to worry about overplanting, as has happened in the past.

Furthermore, Mr. President, on the credit side of this legislation is the fact that it brings into operation a concept which a great many persons, including a great many Members of Congress, favor—and my colleague from South Dakota at one time offered an amendment in committee in that connection—namely, to start using the surplus grain to pay the rent required by the farmer to provide him with the income he lost because of a curtailment in his production. We provide these payments—and in my State they will average about \$10 an acre—from the surpluses which have already been accumulated. Consequently, some of the surpluses will be put to work to rent the land which has remained idle, and thus help us solve this difficult situation.

So, Mr. President, while I regret deeply that the price supports are only 80 percent—and I wish they could have been 82½ percent or 85 percent—it seems to me that within the spectrum of the alternatives confronting us the conference committee did the only thing it could do by bringing back the kind of legislation which will for the first time in many years move the country in the direction of reducing the wheat surpluses and



begin to provide something in the nature of an approach to the solution of the farm problem.

In conclusion, I pay my respects to the distinguished Senator from Florida [Mr. HOLLAND] who, as all Senators know, has been a consistent supporter of the 75 percent concept, and who backed away a considerable figure from his consistent position, in the interest of harmony, in the interest of compromise, in the interest of a successful conference, and joined us in providing, at least, for an 80 percent price support, which does recognize the basic theory that when farmers are compelled to plant less soil and raise less grain, we then owe them the obligation to increase the price of the product which they raise.

If we are to have any consistency at all in Congress, which votes overwhelmingly to subsidize the building of ships, which votes overwhelmingly to subsidize the sailing of ships, it is necessary to subsidize, underwrite, stabilize, and standardize a great many of the costs which the farmer has to pay in his farming operation.

Mr. ALLOTT. Mr. President, I regret very much that this very important matter comes on for debate at such a late hour and with such comparatively little opportunity to examine it and what its effects are. Still, with the indulgence of the Senate, I should like to make a few remarks on it.

I do not question what the Committee on Agriculture and Forestry has done. This is not an easy problem to solve. Anyone who has wrestled with it knows that there is no easy answer and that there is no easy way out. So whatever I may say, I do not say in derogation of any member of the Committee on Agriculture and Forestry.

The Senator from South Dakota [Mr. MUNDT] has pointed out one thing, and I should like to point out another: While the conference bill reduces a farmer's acreage by 20 percent, it does not increase his price by 20 percent. That is something which I think all of us must consider. Having lived in a great wheat-producing section all my adult life, I feel I know a little bit about how that operates and how it affects the farmers. In the short time while I was listening to the distinguished Senator from Louisiana [Mr. ELLENDER] and particularly the distinguished Senator from South Dakota [Mr. MUNDT] I tried to figure out and balance in my own mind the things which are going to affect the farmers of my part of the country, and also balance them against the national good, as I see it. In the short time I have had to consider them, I must say that I will support the conference committee.

At the same time, I cannot sit here in the absence of a yea and nay vote and act without some misgivings, because the people of my part of the country, the people of eastern Colorado and western Colorado, who farm wheat, and who have only 2 choices of crops, wheat and small grains, will be adversely affected by this measure. This is the first public notice of things I have tried to tell them many times, namely, that this whole wheat

matter will break up unless Congress acts upon it immediately.

There is one factor which is bothering me very much, but which no one has mentioned. The same question applies to the so-called domestic parity plan or two-price plan, or whatever one may want to call it. It has been called many things. That is, that in paying back to the farmers one-third of the normal yield of the past 3 years, I do not know what the farmer will do with it. Perhaps this is done in the concept of the traditional midwest part or the eastern part of the Nation. But in the great open spaces of the west—of South Dakota, North Dakota, Wyoming, Montana, Colorado, Oklahoma, western Kansas, and all the rest of the Great Plains area—most of the wheat farms are not farms which are engaged in widespread farming operations. They are engaged in raising wheat.

Or, on the other side, they are engaged in the raising of small grains.

The only thing I can see—and I say this particularly to the Senator from South Dakota—that they can do is to lay this by and use it for planting, if the occasion arises, because they do not have feeding operations or other operations to utilize this plan.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield.

Mr. MUNDT. They can do anything they want with it except put it back into loan. In some areas, they will be able to sell it a comparatively short haulage distance. In some areas, where there is no specialized wheat production, they will lay it by for sale. In some areas, they will lay it by for seed purposes.

In all instances, this will be their wheat; and knowing the ingenuity of the American farmer, as both the Senator from Colorado and I do, I am sure we can envision the fact that by one device or another, he will make the wheat a cash asset for himself.

Mr. ALLOTT. I hope he will. I intend to support the conference report, but I think this plan will pose a serious problem. I think we should put the wheat farmers on notice that when this particular measure becomes law, it will make it very tough on them, because in these days, when it is necessary to expend more and more money on tractors and other expensive equipment, the farmers are not in a position to afford a cutback in acreage with the price increase which is contained in the bill.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MUNDT. I have just consulted with the staff representative who is on the floor. The picture, from the standpoint of the wheat producer, is a little bit better than I had portrayed it, because he will receive negotiable certificates for the wheat and can sell them wherever and to whomever he likes without the necessity of his ever taking possession of the wheat itself.

Mr. ALLOTT. I thank the Senator from South Dakota for his help. I simply wanted to point out this particular

fact, because it will be something which every wheat farmer in the Great Plains area of the United States will have to face. This is no final answer to the wheat problem we have in this country. I hope the measure will help. For that reason, I shall support the conference report.

Mr. LAUSCHE. Mr. President, I do not contemplate voting for the conference report. I will not do so because there has not been indicated with adequate clarity that the overall result will be a reduction of the surplus. I noted that the Senator from Vermont [Mr. AIKEN] said the probability is that the overall result will be equal to, if not worse, than what the situation is now.

May I ask the Senator from Vermont what his statement was as to what the overall result would be?

Mr. AIKEN. If large numbers of wheat growers took payment in kind for not planting land diverted from wheat production and received their 8 bushels of wheat per acre for such land, then there could be some reduction.

However, if instead of taking 8 bushels of wheat, they decided to forgo the supports on all the wheat they planted, and planted the diverted acres to sorghum or corn, there could be an actual increase in the overall supply of all grains.

Mr. LAUSCHE. Moreover, from a representative agency of the farmers, in Ohio, I received word that their analysis of the overall result is that there will be no benefits for the general citizen in the program.

Mr. AIKEN. I think there would be some increase in the price of wheat to the general public, and a reduction in gross income to the wheat farmer.

Mr. KEATING. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. As I figure this out, in the light of what the distinguished Senator from Vermont has said, those who consume grain are likely, by the bill, to have their prices raised.

In my State—as, I am sure, in the State of Ohio—there are large numbers of poultry growers, stock raisers, and others who would be adversely affected by this proposed legislation.

Mr. LAUSCHE. Yes.

Mr. JAVITS. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. JAVITS. As the other Senator from the State of New York, let me join in the statement that our State does have this problem.

But what appeals to me is that the difficulty with this measure is that it does not provide a solution. Certainly it is high time for us to call a turnaround.

I do not object to spending the money; I think it should be spent to help the farmers. But to spend it to get into this kind of frustrating situation again, I cannot see.

So I oppose the conference report.

Mr. CAPEHART. Mr. President, I am fearful that this proposed legislation may result in lowering the price of wheat, lowering the income of the farmers, in-



creasing the cost to the taxpayers, and further increasing the surplus.

Therefore, Mr. President, I cannot support the conference report.

Mr. DIRKSEN. Mr. President, rather than detain the Senate, I ask unanimous consent to have printed at this point in the RECORD a statement in regard to this conference report, and also an estimate of cost of this program, as distinguished from the cost of the program under existing law.

There being no objection, the statement and the estimate were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN ON CONFERENCE REPORT ON SENATE BILL 1968

This bill has one fundamental weakness. It attempts to go in two directions at the same time. On the one hand it tells farmers that they must reduce their acreage of wheat by 20 percent. On the other hand it tells farmers to step up their yields per acre because the Federal Government will support the price at a higher rate per bushel.

Those who have not examined the historical facts very carefully would believe those who claim that a 20-percent reduction in acreage would reduce production by approximately 20 percent. However, all history and all statistical data point in the opposite direction. In the 5-year period, 1949-53, the harvested acreage averaged 67.7 million acres, with an average yield during that period of 16.5 bushels per acre. Under acreage controls in the 1954-58 period acreage was reduced by over 25 percent but yield per acre jumped to 21.4 bushels per acre, about 30 percent. We would expect that the same situation would happen in 1960 and 1961 as has happened in the past. Cut the acreage and yields jump. This may be expected since the poorest acres come out and all the technology is poured on the remainder.

This bill will cost more than the already excessively expensive program we have for wheat. Let us examine the cost aspect of this legislation in detail:

1. Export subsidy would go up by \$63 million.
2. The cost of the payment-in-kind program would be about \$115 million.
3. The cost of supported crops produced on the acres taken out of wheat production on the former 15-acre farms would increase by at least \$25 million.
4. The cost of supporting the additional crops that would not take the payment-in-kind would go up by \$50 million. This total increase would be \$253 million. Offsetting this would be the reduced production of approximately 120 million bushels times \$2 per bushel or \$240 million. Thus this program would cost an additional \$13 million, above the already tremendously costly and market destroying program.

There are some other factors which should be considered by this body and especially by those Congressmen who represent areas where many of these non-price-supported crops are grown.

1. The acreage taken out of wheat will inevitably be the poorest acres on the farm.
2. It is probable that the acreage devoted to such important nonsupported crops as potatoes and sweet potatoes, other vegetables including canning crops, broom corn, pop corn, and dry peas, will be increased. This will force prices down for these crops and will hurt the traditional producers of these crops.

The bill does nothing to give small family-size farms a voice in the wheat marketing quota referendum. This disenfranchisement of small farmers from a vote on a program that has a bearing on their economic situation is unjust as provided under the current law and would be perpetuated by this bill.

The bill also goes a long way in imposing

additional restrictions on farm operations. The 20-percent reduction of wheat acreage would require additional visits and checkups on farms and farming operations. An even closer look would have to be taken if a farmer applied for payments in kind, since eligibility for such payments is contingent upon withholding the acreage involved from all crop production and from grazing. Aside from the additional restrictions on farmers, all these visits, and resulting extra record keeping, cost money; administrative expenses of the program are likely to be much higher.

Those who represent cotton and rice areas should ask themselves why this special treatment for wheat. Under similar surplus conditions the legislation passed in 1958 provided for reduced price supports and in the case of cotton lower acreage. Here we are raising the price support for wheat and paying a bonus on top of that in wheat. We are making the most expensive program we have, even more expensive.

This program goes directly contrary to the recommendations of the President. In his message on agriculture on January 29, the President said:

"I recommend that prices for those commodities subject to mandatory supports be related to a percentage of the average market price during the immediately preceding years. The appropriate percentage of the average market price should be discretionary with the Secretary of Agriculture at a level not less than 75 and not more than 90 percent of such average in accordance with the general guidelines set forth in the law. \* \* \*

"If, despite the onrush of science in agriculture, resulting in dramatic increases in yields per acre, the Congress still prefers to relate price supports to existing standards, the Secretary should be given discretion to establish the level in accordance with the guidelines now fixed by law for all commodities except those for which supports presently are mandatory.

"Either of these changes would be constructive. The effect of either would be to reconcile the farm program with the facts of modern agriculture, to reduce the incentive for unrealistic production, to move in the direction of easing production controls, to permit the growth of commercial markets and to cut the cost of Federal programs."

This proposed program, contrary to the recommendations of the President, is driving us to programs which would involve us in even greater trouble than the present one. Let us not prescribe for a sick patient another dose of what caused the illness in the first place.

Estimated cost under S. 1968

Present program, production-----bushels	1,200,000,000
Estimated production under S. 1968-----bushels	1,080,000,000
Reduced production under S. 1968-----bushels	120,000,000
Saving from reduced production (120 million bushels times \$2 per bushel)-----	\$240,000,000
INCREASED ITEMS UNDER S. 1968	
Export subsidy increase (450 million bushels times 14 cents per bushel)-----	\$63,000,000
Payment-in-kind program-----	113,000,000
Additional crops planted on acreage taken out of small wheat farms currently under 15-acre provision-----	25,000,000
Additional crops grown by those who do not take payment in kind-----	50,000,000
Total-----	251,000,000
Net increase in costs--	11,000,000

In addition to the above there will be an undetermined amount of additional price support due to the shift toward the use of the best acres on the farm for price supported crops other than wheat.

The PRESIDING OFFICER. The question is on agreeing to the conference report. [Putting the question.]

The "ayes" appear to have it; and the "ayes" have it, and the report is agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

RESOLUTION OF MASSACHUSETTS HOUSE OF REPRESENTATIVES

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY] I present, for appropriate reference, a resolution of the House of Representatives of the State of Massachusetts. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION RELATIVE TO THE FOURTH PREFERENCE QUOTA

Whereas there is a backlog of petitions for admission to the United States filed by persons whose cases fall within the fourth preference quota and the entry of such persons into this country has been seriously delayed: Therefore be it

Resolved, That the House of Representatives of Massachusetts respectfully urges the Congress of the United States to amend Public Law 85-316 so as to include cases falling within the fourth preference quota thereby providing for the admission of the many thousands whose petitions have piled up in a backlog in prior years; and be it further

Resolved, That in order not to create a problem of separated families the said house of representatives respectfully urges said Congress to enact legislation permitting those petitioners who are married and have families to bring them into the country; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the presiding officer of each branch of Congress and to the Members thereof from this commonwealth.

House of representatives, adopted, June 2, 1959.

LAWRENCE R. GROVE,  
Clerk.

A true copy.  
Attest:

JOSEPH D. WARD,  
Secretary of the Commonwealth.



## ADDITIONAL BILL INTRODUCED

Mr. O'MAHONEY (for himself and Mr. McGEE) introduced a bill (S. 2205) to amend section 103 of title 23, United States Code, which was read twice by its title and referred to the Committee on Public Works.

## RECOGNITION OF JURISDICTION OF INTERNATIONAL COURT OF JUSTICE IN CERTAIN LEGAL DISPUTES—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. KEFAUVER. Mr. President, on March 24, 1959, the senior Senator from Minnesota submitted Senate Resolution 94, the effect of which would be the repeal of the so-called Connally reservation on U.S. acceptance of compulsory jurisdiction of the International Court of Justice. I was in the process of preparing a similar resolution. However, I would much prefer to be a cosponsor of the resolution of the Senator from Minnesota, than so submit a separate resolution of my own. Therefore, I ask unanimous consent that I be permitted to join as a cosponsor of Senate Resolution 94.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a brief memorandum outlining the reasons for withdrawing the phrase "As determined by the United States of America" from the U.S. declaration recognizing the compulsory jurisdiction of the International Court of Justice.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

## REASONS FOR WITHDRAWING THE PHRASE "AS DETERMINED BY THE UNITED STATES OF AMERICA" FROM THE U.S. DECLARATION RECOGNIZING THE COMPULSORY JURISDICTION OF THE INTERNATIONAL COURT OF JUSTICE

The U.S. declaration recognizing the compulsory jurisdiction of the International Court of Justice, as deposited with the Secretary General of the United Nations in August 1946, was made in accordance with the resolution of the Senate adopted on August 2, 1946. The declaration contains three reservations describing types of disputes to which the declaration shall not apply. The second of these reservations relates to "disputes with regard to matters which are essentially within the domestic jurisdiction of the United States of America as determined by the United States of America." The phrase "as determined by the United States of America" was added by the Senate during consideration on the floor of the Senate resolution advising and consenting to the deposit of the declaration by the President. This type of provision has been described as an "automatic" reservation.

This automatic reservation should be withdrawn from the U.S. declaration for the following reasons:

1. Under the automatic proviso the United States reserves to itself a unilateral right of decision in determining the applicability of the declaration to certain types of disputes. Such a reservation can be regarded as rendering the U.S. declaration illusory and as evidencing a distrust of the Court, which under its statute is given the function of deciding questions concerning its jurisdiction under relevant declarations. It is inconsistent with our support for the devel-

opment of the rule of law in the world, upon which a just and lasting peace must rest.

2. To encourage the development of the rule of law in the world, the United States supports the referral to the International Court of Justice of international legal disputes which cannot be settled otherwise. With an automatic proviso in our own declaration the United States is hindered in urging upon all the states of the world the judicial settlement of international legal disputes and greater use of the World Court. We seem to be advocating for others what we refuse to accept for ourselves.

3. Declarations are made on the basis of reciprocity. With an automatic proviso in our own declaration, the United States could not hale before the Court any unwilling defendant state even though it had accepted the Court's compulsory jurisdiction. Such a state might not hesitate to invoke improperly the U.S. reservation in its own defense, on a basis of reciprocal rights. The Court might not examine the propriety of a government's reliance upon such a reservation. For example, in the Norwegian Loans case, Norway, the defendant in the case, invoked the automatic reservation contained in the declaration of France, the applicant state. In its decision declaring a lack of jurisdiction, the Court gave effect to the Norwegian plea based upon the automatic reservation without looking behind the plea to examine whether there was a proper basis for applying the automatic reservation to the facts of the case.

4. If the automatic proviso were withdrawn from the U.S. declaration, there would still remain the domestic jurisdiction reservation in the declaration which could be relied upon by the United States in any appropriate case. Pursuant to article 36, paragraph 6 of the Court's statute, the Court would settle any dispute as to whether it had jurisdiction in a particular case.

5. An automatic proviso is, for the United States, unnecessary. It was the understanding of the Senate when the automatic proviso was adopted that this reservation would never be improperly invoked and that the United States would be bound in good faith to accept the Court's jurisdiction in every case involving matters not essentially within the domestic jurisdiction of the United States. Thus, the United States would be expected to invoke the reservation only in those cases in which the Court itself would probably uphold a plea of domestic jurisdiction if interposed by the United States on the basis of the domestic jurisdiction reservation without the automatic proviso.

## ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 17, 1959, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2094. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S.J. Res. 59. Requesting the President to issue a proclamation designating 1959 for the observation of the 350th anniversary of the historic voyages of Hudson and Champlain.

## ADDITIONAL APPENDIX MATTERS

By Mr. SALTSTALL:

Address by Hon. Sumner G. Whittier, Administrator of Veterans' Affairs, delivered before the annual meeting of the President's Committee on Employment of the Physically Handicapped, on Friday, May 8, 1959.

By Mr. KEFAUVER:

Address delivered by Hon. George Cochran Doub, Assistant Attorney General in charge of the Civil Division, before the Federal Bar Association, entitled "Presidential Inability: The Constitutional Problem."

Address delivered by His Excellency M. Herve Alphans, French Ambassador to the United States, at the dinner of the Rotary Club of Oak Ridge, Tenn., on June 11, 1959.

Address delivered by Mr. Robert McKinney, editor and publisher of the New Mexican, Santa Fe, N. Mex., before the American Club of Paris, on April 23, 1959.

By Mr. HUMPHREY:

Address delivered by Senator HUMPHREY at the ninth annual Group Health Institute luncheon, in New York City, on May 26, 1959.

Article published in the New York Times magazine, on June 7, 1959, written by Prof. Hans J. Morgenthau, entitled "Can We Entrust Defense to a Committee?"

Editorial published in the Illinois State Register of Springfield, Ill., on June 4, 1959, entitled "State's Senior Senator Champion of Equal Rights."

Article published in the New York Times magazine, on May 31, 1959, written by Prof. Alan F. Westin, entitled "When the Public Judges the Court."

By Mr. MUNDT:

Article entitled "50 Years of Public Service—Northern States Power's Golden Anniversary, June 16," published in the NSP news of June 1959.

By Mr. McNAMARA:

Article written by Mr. George E. Connery, relating to an interview with the Senator from Oregon [Mr. MORSE] concerning an investigation of hospitals and Blue Cross in Washington, D.C.

## ADJOURNMENT TO 11 A.M.

Mr. JOHNSON of Texas. Mr. President, after a conference with the minority leader, I ask unanimous consent that the Senate convene at 11 a.m. today. There will be the morning hour and there will be quorum calls, but we will have no votes completed before noon.

The PRESIDING OFFICER. Without objection—

Mr. DWORSHAK. Mr. President, reserving the right to object, let me say that some committee sessions are scheduled for this morning; and I do not think the session of the Senate should interfere with them.

If the Senate session could not begin before noon on yesterday, certainly the session today cannot begin before noon.

Mr. JOHNSON of Texas. Mr. President, all the committees can meet until noon.

Mr. DWORSHAK. But committee meetings are scheduled for this morning; and the session in this Chamber cannot very well be held while committee meetings are in progress.

Mr. JOHNSON of Texas. Oh, yes.

Mr. DWORSHAK. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 11 a.m. today, as in legislative session.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 12 o'clock and 3 minutes a.m. on Thursday June 18, 1959) the Senate adjourned until 11 a.m. on the same day.



mental appropriation and funds previously appropriated and with the amount the committee has requested of \$800 million in the bill, we are only exceeding the President's total request by \$25 million.

Mr. Chairman, again I want to state the fact that if the Members of the House believe in a sound principle of lending money to these underdeveloped countries so that they may help themselves and boost their economy so that we may in the future be able to trade with them and so that we may be able to export our manufactured products to those countries as they build up their economy on a more substantial basis and get on their feet and are able to purchase from us, if you believe in the sound banking principles that this country and all of the commercial nations of the world are based upon, then I think you must support the committee's recommendation.

Mr. BROCK. Mr. Chairman, the business of foreign aid has cost the American taxpayer and depleted the Federal Treasury to the extent of over \$74 billion since 1946, of which some \$59 billion were distributed as outright gifts. Despite all these billions being poured into foreign countries all over the world, we still have the foreign aid problem with us today. The administration has just asked the Congress to appropriate slightly under \$4 billion more to carry the mutual security program for another year.

In the beginning, this money was given, or a minor portion lent under certain conditions, for the purpose of feeding the hungry, housing the unsheltered, restoring the credit and the economy of war-torn nations who participated in, or were the weak victims of invasion and aggression during and after World War II. Homes and industry had to be restored, agriculture and industry and every other segment of the economy had to be geared back into operation. In addition, millions of displaced persons had to be returned to their former homes or relocated in an area which permitted them to start rethreading their lives on the spool of time. No decent or patriotic American citizen begrudged the heavy financial drain for such humane purposes. It was given freely and with good heart. We here did not suffer the ravages of the terrible war, and the one that followed in Korea, but we did suffer the loss of loved ones who would never return, along with some inconveniences by rationing food and luxuries.

The complex of the picture has now changed from those early days following World War II. Since 1950, some \$20 billion have been spent for aid labeled as "economic," but which had a military complexion. It included money spent to bolster the economies of countries to which we are granting the bulk of our military aid. This was in addition to the money appropriated and used for outright military aid purposes. Few, if any real Americans, opposed the funds earmarked for European recovery. The European democracies were prostrate before militant, marching communism.

The war was won, but the fruits of victory had not been made secure.

This country is, or was, considered the citadel of true democracy and grateful citizens registered their consent to the enormous peace time assistance that was so needed to secure the liberty and freedom bought and paid for by wanton destruction of lives and maiming of many who returned. It was not intended to be a permanent giveaway of the financial resources of its citizens nor was it intended to build a military bastion in every country of the world who professed friendship for us. That is where the division of thought is taking place in present-day consideration of more foreign aid. If our money is to be spent for military might to be located in these friendly nations, then let us, in all good grace, call it military aid, and not use a coverup or dodge by calling the requested appropriations economic aid. Let the military aid to these so-called friendly nations be labeled as military aid, and nothing else. That should at least give us the opportunity of evaluating our position on just what additional economic aid is vital and necessary to carry out what we assume to be our obligations.

Many recognized economists, some of them right in our own Government employ, have stated that economic recovery was achieved in Europe during the period 1951-52. This is 1959 and we are still pouring so-called economic aid into some of the European countries. It seems that we have had a span of years to evaluate our position in that direction, however, there is no better time to do it than now. Factual statistics of our governmental agencies will prove that some of these countries in Europe, and others in Asia, principally Japan, have recovered to the extent that they are competing with us in the foreign export markets. In addition, we take a realistic view of the import increase of their products to this country and the impact on our domestic economy. A concrete example of this is reflected in the importing of small foreign automobiles. We gave them the money to rebuild their industries and add new ones. Now they are increasing their car imports to the United States and pricing our own automobile manufacturers out of the market, which can only lead to future unemployment for the American skilled craftsmen and laborers in the automotive industry. This pattern is further reflected in the textile industry and other segments of our economy.

In the early years of the foreign-aid programs much of the moneys appropriated was spent to purchase and ship surplus agriculture and other processed foods and fibers to these needy nations. In later years, this pattern changed over to shipment of the tools of industry, heavy machinery and production assemblies, machine tools, and the latest in agricultural equipment. Now, the products from these are returning home to us. In addition to the production articles, we are now importing agricultural products, beef, and pork products in processed containers, all to compete with the American manufacturer, his employees who work for a high standard wage, and

the already hard hit American farmer. If these countries have recovered to the extent that they are in such favorable export position, how in the name of commonsense do they need economic aid from us?

We admit the extravagance of our foreign aid programs, and we may just as well admit some of the mismanagement. Much of the money appropriated was wasted and literally went down the drainpipe, but some good was accomplished. Had it not been for our assistance, practically all of Europe would now be under the heel of communism. That much we have to be thankful for at the present time. The mutual aid programs have made us some sincere friends, also some enemies who felt that we did not do enough. It is a matter of conjecture whether some of those we assisted will stick with us in the event of a real showdown with the Soviets and their satellites. Some of them are already wavering before the Foreign Ministers' conferences are concluded.

Today the United States is bearing almost the entire burden of the defense of the free world. Our allies and mutual pact friends whom we assisted in regaining their economy and industrial strength are notable for their achievement in evading their fair share of this burden. This total defense burden is draining our economy and building up our national debt. This lack of cooperation in assuming the burden of mutual defense could well explain why so much of our so-called economic foreign aid finds its way into the channels of military aid. The deficit on the part of our shrinking allies and mutual pact partners must be made up to complete a military committed program. There is no question that a mutual security program is a powerful deterrent to Soviet aggression, but let us spell it out in its proper perspective. Let us send the weapons where they are most needed, but let us get away from the guise of misleading the American people that money is appropriated for economic aid, for feeding the hungry, and then using the greater portion of it for military aid. People in needy countries need food, not guns. First restore their economy and then hand them the weapons needed to defend themselves against aggression.

We have tremendous agricultural surpluses in this country and they are still mounting. If we are to continue economic aid in principle, then let us start to do something on a long-range plan to feed the hungry in needy countries and, at the same time, start to reduce our agricultural surpluses. Foods and fibers will make us many more friends than we seem to have made with the programs to date. The problem as I see it is not whether to continue the mutual security program, but how best to face up to it realistically. Let us put the food where it is most needed and put the weapons where they will do the most good. But, above all, let us keep the respective programs separate and apart.

It is the responsibility of the Congress to carefully scrutinize every detail in the mutual security bill and separate eco-



conomic aid from military aid. Now is the time to reappraise the entire program and divorce from it those aspects which cannot be realistically treated as economic aid. For our own economic welfare, we cannot continue in the same fashion year after year. There is no better time to start than the present.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

### WHEAT MARKETING QUOTAS AND PRICE SUPPORT PROGRAM

Mr. ALBERT (on behalf of Mr. COOLEY) submitted the following conference report and statement, which was ordered to be printed:

#### CONFERENCE REPORT (H. REPT. NO. 560)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section: The support price for each such crop shall be 80 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 20 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however*, That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for

abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect acreage history preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 20 per centum reduction in the farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 20 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 80 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *Provided further*, (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000, (2) That the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsec-

tion, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3)."

"SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

"(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage com-



puted on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

"(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)), shall not be applicable with respect to the 1960 and 1961 crops of wheat.

"(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment, an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

"SEC. 3. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 20 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

"(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

"(1) to which a wheat marketing quota is applicable; and

"(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

"(3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

"(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1960 and 1961 crops;'

"(d) Section 362 is amended by deleting the second sentence thereof.

"(e) Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

"SEC. 4. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

"SEC. 5. This Act may be cited as the 'Wheat Act of 1959.'"

And the House agree to the same.

HAROLD D. COOLEY,  
W. R. POAGE,  
GEORGE M. GRANT,  
CARL ALBERT,

*Managers on the Part of the House.*

ALLEN J. ELLENDER,  
OLIN D. JOHNSTON,  
SPESSARD L. HOLLAND,  
HUBERT H. HUMPHREY,  
MILTON R. YOUNG,  
KARL E. MUNDT,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

House action was on H.R. 7246, following which the Senate bill was taken from the Speaker's table and amended by striking out all after the enacting clause and substituting the language of H.R. 7246 as passed by the House. The amendment reported herewith combines the provisions of the Senate bill and the House amendment and was agreed to by the conferees as a substitute for the House amendment.

#### EFFECT OF THE BILL

The overall effect of the bill as agreed upon by the conferees and reported herewith will result in a wheat program for the years 1960 and 1961 which will—

- (1) reduce wheat production an estimated 200 million to 300 million bushels per year;
- (2) result in a cash saving to the Government of an estimated \$150 million to \$200 million per year.

#### SHORT EXPLANATION OF CONFERENCE SUBSTITUTE

The conference substitute contains the following major provisions of a temporary nature, applicable only with respect to the 1960 and 1961 wheat crops:

- (1) provides price support at 80 percent of parity;
- (2) reduces each farm acreage allotment by 20 percent below the allotment it would otherwise receive for the crops of 1960 and 1961;
- (3) prevents the diversion of such 20 percent to any other crops receiving price supports by conditioning wheat price support on reducing the acreage of other price supported crops below the 1957-58 average by an acreage equal to the 20 percent reduction in wheat acreage;
- (4) provides a payment in kind (one-third of the average annual yield) on an acreage equal to such 20 percent, if such

acreage is not used for the harvest of any crop nor grazed;

(5) imposes penalties on the actual yield of wheat from acres in excess of the farm acreage allotment (or double the normal yield if the actual yield is not shown);

(6) increases the marketing penalty on excess wheat from 45 percent of parity to 65 percent of parity;

(7) reduces the 15-acre exemption to 12 acres, and restricts it to farms which planted wheat in 1957, 1958, or 1959, and to producers who produce wheat on only one farm;

(8) removes the 30-acre limitation on the feed wheat exemption; and

(9) restricts to farms which are in compliance with their acreage allotments the right to withdraw and market wheat stored from a previous crop to avoid penalty.

The conference substitute makes the following permanent changes in the law:

- (1) limits wheat price support operations to \$35,000 per producer per year;
- (2) repeals the 200-bushel exemption;
- (3) prevents an acreage history penalty where, by reason of production failure, the producer has no marketing excess which he can store to avoid such a penalty;
- (4) repeals the authority for price support to noncooperators with respect to any basic agricultural commodity; and
- (5) repeals a provision requiring the County Agent or the local Committee Chairman to maintain an additional copy of the acreage allotment list for each commodity.

#### COMPARISON WITH HOUSE AMENDMENT

The acreage reduction and price support provisions of the bill follow the House amendment, including the denial of price support on wheat if the diverted acreage is devoted to any other crop eligible for price support, a payment in kind if the diverted acreage is not used for the production of any crops whatever nor grazed, and limitation of price support to the commercial wheat producing area. The major differences between the House amendment and the conference substitute are that the level of price support is 80 percent (instead of 90 percent in the House amendment) and the required reduction in acreage is 20 percent (instead of 25 percent as in the House amendment).

The House provision providing price support for noncooperators if marketing quotas for wheat should be disapproved is not contained in the conference substitute. In its place, the conferees adopted the Senate provision which will have the effect of prohibiting price support to noncooperators with respect to any basic commodity. If marketing quotas should be disapproved, price support at 50 percent of parity would be made available only to cooperators. The conference substitute will make no change in the existing provision of law which fixes the minimum CCC resale price for wheat at 105 percent of the current support price, plus carrying charges.

In order to qualify for the payment in kind provided by the conference substitute, the producer is required, in accordance with regulations prescribed by the Secretary, to designate an acreage on the farm equal to the 20 percent reduction in the farm wheat acreage allotment. A great deal of authority has been left in this matter to the discretion of the Secretary. The intention of the conferees is that an acreage of cropland approximately equal in productive capacity to the producer's wheat acreage shall be designated, but experience under the Soil Bank Act has shown that it is difficult to spell out this intention within the rigid framework of law. The conference therefore leaves it to regulation, which may be adapted to new cases or problems as they arise. The Secretary is authorized and is expected to issue such regulations as may be necessary to effect the reduction in production contemplated by this provision.



The conference adopted the Senate provision relating to production of wheat on acreage in excess of acreage allotments. Under this provision any wheat produced on excess acreage will be considered farm marketing excess and subject to penalty. Under the House amendment, the marketing excess would have been reduced to zero if the total production on the allotted and excess acres did not exceed the normal production of the allotted acres.

The conference substitute contains the Senate provisions restricting the 15-acre exemption to 12 acres in 1960 and 1961. This permits any producer who has harvested wheat in 1957, 1958, or 1959, except producers operating more than one farm, to take full advantage of the 12-acre exemption. The House provision would have restricted the exemption to 12 acres or the highest acreage planted on the farm in the immediately preceding 3 years.

The conference substitute makes no change in the provisions, common to both the Senate and House bills, permitting a producer to grow as much wheat as he wants if he uses it all on the farm where it is produced.

With respect to eligibility for voting in the referendum on wheat marketing quotas, the conference substitute follows the Senate bill, which made no change in existing law. Under the conference substitute, producers who will be subject to the marketing quotas upon which the referendum is held will be eligible to vote in that referendum. Thus, all producers who are affected by the temporary reduction in the exemption from 15 acres to 12 acres will be eligible to vote in the referendum to be held next July on the 1960 wheat crop.

HAROLD D. COOLEY,  
W. R. POAGE,  
GEORGE M. GRANT,  
CARL ALBERT,

*Managers on the Part of the House.*

#### COMMEMORATING EXECUTION OF PRIME MINISTER IMRE NAGY AND MINISTER OF DEFENSE MAJ. GEN. PAL MALETER

(Mr. HAYS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, a year ago the Moscow radio announced the execution of Imre Nagy and General Maléter of the Hungarian revolution. These executions were carried out in spite of strong assurances from the Soviet that Mr. Nagy would not be executed and assurance that General Maléter, who was arrested by the Soviets while he was negotiating with the Soviet general in Hungary, would be given a fair trial. I think it is really an obligation upon us to take note of this serious violation of their words, which is traditional with the Russians, at a time when we are trying to negotiate with them.

Mr. Speaker, I am including in the extension of my remarks a short biography of General Maléter and former Prime Minister Nagy of Hungary.

On June 17, 1958, Moscow Radio officially announced the execution of Prime Minister Imre Nagy, Minister of Defense Maj. Gen. Pál Maléter, and two other leaders of the 1956 Hungarian Revolution. The fact that it was Moscow which broadcast the first news of the executions stirred a strong protest all over the world. The United Nations

Special Committee on the Problem of Hungary issued a statement and report and the United Nations' General Assembly expressed its strong condemnation of this action. The executions took place despite many official and solemn assurances that Premier Nagy would not be prosecuted. As to General Maléter, he was arrested by Soviet security forces under General Serov's command while continuing negotiations with the Soviet Army representatives for the withdrawal of Soviet armed forces from Hungary in accordance with the October 30, 1956, Moscow declaration and the November 2, 1956, official Soviet Government communication.

As one who visited the Hungarian border in late November 1956 I am proud to join in commemorating the first anniversary of their execution and in paying tribute to these Hungarian patriots.

#### IMRE NAGY

Imre Nagy was born in 1896, in Kaposvár. His parents were Hungarian peasants. Before World War I, he worked in a steel mill. During the First World War he served on the Russian front and was taken prisoner by the Tzarist Russian Army. In 1917 he participated in the revolution and returned to Hungary as a Communist in the twenties. All through his political career his attention was focused on agricultural problems and the peasantry. He led the illegal Communist Party's activities in the Hungarian countryside and worked later, from 1930 on, in the International Agricultural Institute in Moscow. He returned to Hungary in 1945, became Minister of Agriculture in the first postwar Hungarian provisional government. In this capacity he organized the land-reform which gave land to the landless peasants. Due to the stepped up collectivization campaign of the Communist Party, in 1948, which followed the strict Soviet instructions, the differences between Imre Nagy and his fellow members in the Politburo started.

After Stalin's death and the collapse of the Rákosi industrial policy Imre Nagy became Prime Minister on June 3, 1953, and introduced the popular reforms aimed at the abolition of the police terror and the easing of the burdens of the peasantry. The important political measures introduced by him in 1953 and 1954 brought him into conflict with the orthodox or Stalinist Communists. He was relieved of his post and, after a series of reprisals, excluded from the party membership. He was readmitted to the party on October 4, 1956, as a result of the pressure of the people on the regime demanding the liberalization of party control and the reaffirmation of Hungarian independence. Imre Nagy was constitutionally (according to the constitution promulgated by the Communist Party itself) elected Prime Minister during the night of October 23-24, 1956. As the head of the Revolutionary Government, Imre Nagy declared Hungary's neutrality and called upon the great powers and the United Nations to guarantee this neutrality. The Soviet Union, in her negotiations with Imre Nagy, recognized him as the constitutional head of the Hungarian Government and started discussions for the withdrawal of Soviet troops from Hungary. Breaching, however, the many solemn promises and guarantees the Soviet Government gave to Imre Nagy and to the United Nations, the Soviet Union launched a second attack against Hungary on November 4, 1956. Imre Nagy was forced to take refuge in the Yugoslav Embassy in Budapest. After the Soviet imposed Hungarian Government headed by János Kádár gave assurances to the Yugoslav Government of his safe-conduct, he left the embassy on November 22,

1956, and was taken by Soviet forces to Rumania. Despite many assurances to the opposite, he was brought to trial in February 1958 and after many months of secret proceedings, executed on June 17, 1958.

#### MAJ. GEN. PÁL MALETER

Born in 1917, Pál Maléter graduated from the Hungarian Military Academy and served on the Soviet front in 1942. He was taken prisoner by the Red army and attended political lectures and indoctrination courses. He was parachuted in 1944 behind the German lines as a captain of a partisan unit. Pál Maléter was heavily decorated for bravery and became a member of the Communist Party in postwar Hungary. Pál Maléter rose gradually to the rank of colonel in the Hungarian Army and served, from 1949 on, in the Ministry of National Defense.

After the outbreak of the October 23, 1956, revolution, Pál Maléter was ordered to lead a Hungarian army armored unit to the scene of the fighting and to liquidate the revolutionaries entrenched in the Killian Barracks. In going to the scene of the fighting he contacted the revolutionaries and became convinced of their just cause that they were fighting for the freedom of the people and for the independence of the country. He informed his superior of his decision to join the revolutionaries and took command of the Killian Barracks. During the ensuing days the Killian Barracks became the center of resistance and a famous stronghold of the revolutionaries and a primary target of incessant Soviet attacks. Soon the streets around the barracks were obstructed by burnt-out Soviet tanks destroyed by gasoline bottles and hand grenades. For his bravery he became a revered popular hero of the Hungarian revolutionary youth.

After the cease-fire and the victory of the revolution, the Soviet Red army units withdrew from Budapest and Prime Minister Imre Nagy called upon Pál Maléter to join his government as Minister of National Defense. After being promoted to major general, he headed the Hungarian Government's delegation which negotiated the withdrawal of Soviet troops from Hungary with the Soviet Army Command in accordance with the Soviet Government's wishes. An agreement was reached on the major issues and during the evening of November 3, 1956, General Maléter went to the Soviet Army Headquarters in Tököl, a large village south of Budapest, at the invitation of the Red army's commander to clear the technical details of the withdrawal. A few hours later, in the early hours of November 4, 1956, he was taken prisoner by the head of the Soviet Secret Police, General Serov and the second Soviet attack was launched against Hungary.

#### GERMAN UNITY DAY, JUNE 17, 1959

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, just 6 years ago today, June 17, 1953, the people of East Berlin and of East Germany were swarming the streets in revolt against their Communist government. For weeks before tension had been mounting and dissatisfaction boiling to the surface. Finally, one June 16 the building workers of East Berlin climbed down from their scaffolds and marched through the streets shouting their demands. The climax came the next day when the whole populace turned out to shout its resentment and to protest its subjection to the imposed Ulbricht-Grotewohl regime.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 19, 1959  
For actions of June 18, 1959  
86th-1st, No. 101

Adjournment.....	24
Advisory commission.....	26
Agricultural appropriations.....	2
Alaska.....	20
Appropriations .....	2,11,12,13,14,40
Atomic energy.....	10,48
Audit.....	5
Buildings.....	37
CCC.....	3,38
Civil defense.....	41
Conservation.....	16,36
Contracts.....	23
Crops.....	10
Economic policy.....	9
Electrification.....	5,43
Fair trade.....	32
Farm program.....	9,22
Federal-State relations..	7
Food.....	10
Foreign aid.....	3,30,46
Foreign currencies.....	3
Forest Service.....	40
Housing.....	8
Imports.....	21
Information.....	39
Interest rates.....	27,47
Intergovernmental relations.....	26,45
Lands.....	18
Minerals.....	17
Monopolies.....	31
Mutual security.....	3,30,46
Natural resources.....	9
Price supports.....	1,38
Public debt.....	47
Reclamation.....	23,44
Recreation.....	25
Saline water.....	6
School lunches.....	42
Science.....	19
Soils.....	10
Sugar.....	4
Surplus commodities.....	3
Surplus property.....	29
Trade.....	21
Water pollution.....	15
Wheat.....	1,34
Wildlife.....	20,35

HIGHLIGHTS: House rejected conference report on wheat bill, and returned bill to conference. House conferees were appointed on USDA appropriation bill; permission granted until June 22 to file conference report on bill. House passed mutual security authorization bill. Rep. Lane criticized proposed permanent extension of Sugar Act. Senate passed Commerce appropriation bill.

## HOUSE

1. WHEAT. Rejected, 202 to 214, the conference report on S. 1968, the wheat bill (pp. 10119-28). Agreed to a motion by Rep. Albert to return the bill to conference for further consideration (p. 10128). Conferees were appointed (10128).
2. AGRICULTURAL APPROPRIATION BILL, 1960. Conferees were appointed on this bill, H. R. 7175, and permission was granted until midnight June 22 to file a conference report on the bill (p. 10119). Senate conferees have already been appointed.
3. MUTUAL SECURITY. Passed, 271 to 142, with amendments H. R. 7500, to extend the mutual security program (pp. 10128-165). Agreed to an amendment by Rep. Gary

to permit the use of foreign currencies for the "purchase and dissemination," in addition to the translation, of scientific books and treatises (pp. 10145-6). Rejected, 47 to 96, an amendment by Rep. Wolf to authorize the President for a 10-year period to donate not to exceed \$250,000,000 worth of CCC surplus commodities annually to the United Nations for famine relief abroad (pp. 10146-49).

4. SUGAR. Rep. Lane criticized proposals for the permanent extension of the Sugar Act, contended that "sugar is a completely controlled commodity," and stated that the "Director of the Sugar Division of the Department of Agriculture admitted that the administration of the Sugar Act has been in accordance with the desires of the domestic sugar industry." pp. 10177-8
5. ELECTRIFICATION. Received from GAO an audit report on the Rural Electrification Administration for the fiscal year 1958. p. 10184  
Both Houses received from Interior a proposed bill "to establish revolving-type funds in the Treasury for the Southeastern Power Administration and the Southwestern Power Administration" to Interior and Insular Affairs and S. Public Works Committees. pp. 10184, 10187
6. SALINE WATER. Both Houses received a letter from Interior "relative to the construction and operation of saline water demonstration plants." pp. 10184, 10187
7. FEDERAL-STATE RELATIONS. Rep. Dingell urged the defeat of H. R. 3, to establish rules of interpretation governing questions of the effect of Acts of Congress on State laws, contending that the bill "virtually does away with the power of the Federal Government to be supreme in the field of international relations, interstate and foreign commerce, civil rights, protection of citizens, and the many other fields where the Government properly and constitutionally acts as the Government of one United States." p. 10180
8. HOUSING. The "Daily Digest" states that conferees "agreed to file a conference report on the differences between the Senate' and House-passed versions of S. 57, Housing Act of 1959." p. D502
9. NATURAL RESOURCES; FARM PROGRAM. Rep. Diggs inserted the platform on national affairs adopted by the American Veterans Committee on various matters, including agriculture, conservation of natural resources, economic policy, and housing. pp. 10172-4
10. ATOMIC ENERGY. Rep. Holifield introduced a... hearing to be held June 22-26 by the Joint Committee on Atomic Energy on the biological and environmental effects of nuclear war, including the effects on soils and crops and processed foods. pp. 10174-7

#### SENATE

11. COMMERCE APPROPRIATION BILL FOR 1960. Passed, 89 to 4, as reported this bill, H. R. 7349. Conferees were appointed. pp. 10196-9
12. LEGISLATIVE APPROPRIATION BILL FOR 1960. Passed, 92 to 1, as reported this bill, H. R. 7453. Conferees were appointed. This bill includes appropriations for the Botanic Gardens, Library of Congress and GPO. pp. 10200-1
13. INDEPENDENT OFFICES APPROPRIATION BILL FOR 1960. A subcommittee of the Appropriations Committee voted to report to the full committee this bill, H. R. 7040. p. D498





# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 86<sup>th</sup> CONGRESS, FIRST SESSION

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No. 101

## House of Representatives

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 5: 1-2: *Be ye therefore followers of God, and walk in love, as Christ also hath loved us.*

Almighty God, grant that we may be abundantly equal to the duties and tasks of this new day, confronting them with a sense of power that exceeds our sense of difficulty.

Deliver us from the anxieties and worries which consume our strength and mar our peace. May we remain calm and courageous in the contemplation of Thy divine grace and love.

Show us how the lofty ambitions and aspirations, which animate us and which we cherish, may be brought to fulfillment and fruition.

We are daily praying that the spirit of peace and good will may have an ever-widening dominion, removing the things that engender strife and strengthening the bonds of friendship among all the nations.

Hear us in the name of the Prince of Peace. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House (to the Senate amendment to the House amendment) to the bill (S. 1) entitled "An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) entitled "An act to strengthen the wheat marketing quota and price support program."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59-12.

### DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota? The chair hears none and appoints the following conferees: Messrs. WHITTEN, MARSHALL, CANNON, ANDERSEN of Minnesota, and TABER.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H.R. 7175 may have until midnight June 22 in which to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

### CALL OF THE HOUSE

Mr. ANDERSEN of Minnesota. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Ashley	Daddario	Powell
Belcher	Davis, Tenn.	Rabaut
Blatnik	Dorn, S.C.	Rostenkowski
Blitch	Gray	Scherer
Canfield	Hagen	Short
Carter	Harris	Teague, Tex.
Celler	Harrison	Willis
Cohelan	Kasem	Wilson
Cooley	McGinley	Withrow
Curtis, Mass.	Macdonald	

The SPEAKER. On this rollcall 404 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### WHEAT PROGRAM

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (S. 1968) to strengthen the wheat marketing quota and price support program, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 17, 1959.)

Mr. POAGE. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, the conferees bring for the consideration of the House today a compromise bill which has been worked out in conference with the conferees of the other body in 2 days of sessions. The form of the bill which we bring today follows substantially the form of the House bill. The compromise is a compromise with respect to the support level and with respect to cuts in allotments.

The Senate bill was a multiprice bill which provided for various stages of



price support ranging from 65 to 75 to 80 percent of parity with a stairstep of cuts ranging from no cuts to cuts up to 20 percent. It was the opinion of the House conferees that that kind of bill would not do the job; we would have no way of knowing whether we would get any cuts either in price or in acreage. Certainly it would be sure that we would not get enough cuts to bring the production of wheat below the disappearance of wheat. The bill upon which the conferees have compromised reduces the price support feature contained in the House bill from 90 percent to 80 percent. The House conferees submitted practically every possible intervening proposal between 90 percent and 80 percent, and all proposals were rejected by the Senate conferees until we reached the level of 80 percent. There were some who wanted to continue the support level at 75 percent. The majority of the members of the House conferees wanted the House bill. This conference report represents a compromise.

This bill also will provide for a reduction in acreage allotments by 20 percent. In the considered judgment of your conferees this bill will take more than 11 million acres out of production and will cut the production of wheat by about 300 million bushels per year in a normal year. It will cut costs to the Government an average of about \$200 million a year. It will aid the wheat farmers of this country because it will begin to get disappearance above production, and everybody that knows anything about the program knows that the wheat farmers cannot expect to continue with a program under which the Government is buying at the rate of 100 million to 400 million bushels of wheat per year and storing it at a carrying charge of from 18 to 30 cents a bushel, wheat which we can neither sell nor give away at home or abroad. That is the important issue in this bill.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. When the bill was before the House the gentleman offered an amendment which, as I understood, gave the small wheat farmer a vote in the referendum. The gentleman made a very persuasive argument for it. Now, is that provision still in the bill under this conference report, or has it been taken out?

Mr. ALBERT. No; the Senate provision was accepted. The Senate provision is a partial victory for the small farmer, and giving up the right to vote was a partial loss to the small farmer.

Mr. HALLECK. In other words, the right of the small wheat farmer to vote in the referendum has been taken out of the bill by the conference action?

Mr. ALBERT. Only those subject to marketing penalties are permitted to vote, which means those who have allotments of more than 12 acres, I will say to the distinguished gentleman; or to those who plant more than 12 acres.

In return for that, the Senate bill is more liberal in its acreage allowance to the small farmer, because under the

House bill the exemption extended either to 12 acres or the highest planted. Under the conference report any farmer who planted wheat in any amount, from less than an acre up, is entitled to the full exemption of 12 acres under this bill.

Now I want to go to the basic philosophy of this bill. The purpose of this bill is to cut Government costs, to cut wheat production and to try to do that without wrecking the economy of the wheat farmer. That is the purpose and the philosophy of this conference report.

The President's press conference yesterday has been quoted quite a bit lately, as to whether he will sign or veto this bill. I do not know what the President of the United States will do and I do not think you can tell from his press conference what he will do. But I know this, that if the President vetoes this bill it will be his responsibility and his alone. If the President signs this bill, the primary responsibility for what happens will be in the Congress of the United States where it should be. We are the primary legislative authority of this country and I, for one, am willing to take my share of the responsibility.

If the President vetoes this bill, he will be vetoing a measure which contains in many particulars legislative reforms which he has advocated. Everything in this bill but the support level has been advocated by the President of the United States. In his message to Congress on January 29, the President of the United States said that the control aspect of this approach is drastic regimentation which Congress has not been willing to impose. While this approach might have merit for an emergency adjustment it would not be in the best longtime interests of the wheat growers and agriculture generally.

Mr. Speaker, if there was ever a time when we have an emergency adjustment period that time is now. What else did the President recommend? He recommended that we eliminate the provision allowing farmers to grow up to 15 acres. We have reduced that to 12.

He recommended that we raise the penalty rate for overplanting to a point that will stop the practice, and we have done that precisely as he recommended.

He has recommended that we base the penalty for overplanting on the actual overproduction rather than the normal yield per acre. We have done that precisely as the President has recommended.

He has asked that we eliminate the 55 million acre minimum, and we have reduced that minimum to 44 million acres.

He has asked on various occasions that we allow unrestricted production of wheat for feed on the farm so that a farmer can plant all he wants to plant for his own purposes. We have done that precisely as the President of the United States has previously recommended.

This bill will reduce production, I repeat, by 300 million bushels a year. This bill will cut the cost. This bill should be enacted.

Mr. POAGE. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, with reference to where the responsibility may lie as far as the enactment of wheat legislation is concerned, the fact still remains that the responsibility for enacting realistic legislation which can be enacted into law is within the province of the Congress of the United States. You cannot shift that responsibility to the President of the United States, no matter how hard you try.

Mr. HALLECK. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. HOEVEN. I yield to the gentleman from Indiana.

Mr. HALLECK. In light of the statement made by the gentleman from Oklahoma, I certainly do not know whether the President will sign this bill or not if it is passed by the Congress in its present form, and I do not think anyone else knows.

As far as I am concerned, I commend the gentleman from Oklahoma for saying that if it becomes law it is the responsibility, and it will be the responsibility may I say, largely of the majority party here in the Congress of the United States. And if that is the situation then certainly you carry the responsibility and one day if it becomes law, because it is not going to really cut down on the production, it is going to continue to be an expensive program, and does not deal realistically with the real problem that is before us, so as far as I am concerned, the majority will have to carry that responsibility.

Mr. HOEVEN. There is so much to be said against the conference report and so little time in which to say it under the parliamentary situation which prevails so I can only hit the highspots. First of all, let me say that the conference report was not signed by the minority Members of the House who were among the conferees. Neither was it signed by the ranking minority Member in the other body. A strange alinement has sprung up in opposition to the conference report. I understand it is being opposed by those who want 90 percent of parity. On the other hand it is opposed by those who want less than 80 percent of parity.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a question at this point?

Mr. HOEVEN. I yield to my friend from Oklahoma.

Mr. ALBERT. Has not the gentleman hit the nail on the head? In other words, that this is a compromise between those who want low prices and those who want high prices?

Mr. HOEVEN. Of course it is a compromise but a compromise is not necessarily always right.

Again, I say the conference report seems to be opposed by those who contend we should have 90 percent of parity. It is opposed by those who say that 80 percent of parity is too high. It is opposed by those who feel that a 20-percent cut is too drastic and it is op-



posed by those who feel that a 20-percent cut is not enough. And if we can get the facts to the people, I am sure that they as taxpayers are also opposed. In short, I have been unable to find anyone who is really hot for this legislation when you boil it all down.

The conference report does not come to grips with the surplus problem. It costs more than the present program. In the general debate on the main bill the other day I tried to point out two criteria that had to be met so far as I was concerned, and I believe I reflect the position of the minority in that regard. First, any legislation must result in reducing the surplus as it encompasses all crops and, secondly, any new proposal must cost less than the present program. If we do not accomplish this, we are simply shadow boxing.

This bill has one fundamental weakness. It attempts to go in two directions at the same time. On the one hand it tells farmers that they must reduce their acreage of wheat by 20 percent. On the other hand it tells farmers to step up their yields per acre because the Federal Government will support the price at a higher rate per bushel.

Those who have not examined the historical facts very carefully would believe those who claim that a 20-percent reduction in acreage would reduce production by approximately 20 percent. However, all history and all statistical data point in the opposite direction. In the 5-year period, 1949-53, the harvested acreage averaged 67.7 million acres, with an average yield during that period of 16.5 bushels per acre. Under acreage controls in the 1954-58 period acreage was reduced by over 25 percent but yield per acre jumped to 21.4 bushels per acre, about 30 percent. We would expect that the same situation would happen in 1960 and 1961 as has happened in the past. Cut the acreage and yields jump. This may be expected since the poorest acres come out and all the technology is poured on the remainder.

There seems little justification in raising price supports at a time when we have 1.3 billion bushels of wheat in surplus representing over \$3.5 billion. The bill approved by the conference committee does just that. It raises price support for wheat by some 12 cents per bushel from 75 percent of parity to 80 percent of parity. While raising supports, the conference bill cuts the acreage of wheat farmers by 20 percent. This is a harsh cut to the individual farmer. We know from experience that a cut in acreage never brings a corresponding cut in production. The Department of Agriculture estimates that the 20-percent cut in acreage will bring only a 10-percent cut in wheat output.

Thus the farmer is asked to take a further cut in his wheat acreage under a program which will not really reduce the surplus.

The payment-in-kind provision is still in the conference bill—and let me say that in my opinion this administrative monstrosity is completely unfeasible. The payment-in-kind provision calls for the Government to channel back into the

market an amount of wheat equal to one-third of that which would have been raised on the wheat acreage in the 20 percent cut. In other words, this payment-in-kind gimmick means that the actual amount of wheat available on the market would be only 13 percent less than at present if a 20-percent cut in acreage resulted in a 20-percent cut in output. We know this cannot happen. If we use the Department's estimate that a 20-percent cut in acreage will result in only a 10-percent cut in wheat production, the payment-in-kind gimmick will cause only a 3-percent cut in the total wheat supply on the market. This is not enough to cut into surplus. Therefore, Uncle Sam will either buy back his own wheat or buy other wheat to replace that which was given away. This just doesn't make sense. There are many administrative problems raised by the payment-in-kind provision. For example, how will the Department determine the actual yield on every wheat farm in the United States? There are no such records now. How can such a program be administered? You would have to catalog every wheat farm in the United States and would have to keep a careful check on each farmer's wheat production and figure out the amount of his payment in kind. The whole program would have to be carefully policed and supervised. In my judgment, this provision in the bill cannot be enforced.

The fact that the wheat farmer faces a bleak future under this bill is evidenced by the lack of support by farm and commodity organizations. I have heard no clamor for its enactment. On the contrary, I have heard only criticism from all quarters. The bill not only imposes a sharp cut in acreage, lower income, and no hope of alleviating surpluses at less cost, but it does not give a clear-cut choice in the national referendum.

Here is the choice a wheat farmer must make—a wheat farmer who is eligible to vote, that is, since the overwhelming majority of wheat farmers are still denied the right to vote—the wheat farmer must either take this bill or nothing. If marketing quotas are voted down, only cooperators would get price support. That means 50 percent of parity of \$1.18 per bushel on the present allotment, hardly survival price. The bill specifically prohibits price support to noncooperators. In addition, CCC could release its tremendous surplus at approximately 53 percent of parity, so the market price would be so dramatically depressed that noncooperators could not survive either. The only choice offered farmers is the bill. The referendum would be mere window dressing.

There are still many loopholes in this bill. There is no cross compliance. A wheat farmer can still raise corn, grain sorghum, or any other price-supported crop if he wishes to do so. All he would lose would be his price support on his wheat and the payments in kind. It has been argued that this is a sufficient inducement to cause the individual farmer to forsake planting any price-supported crop. However, my experience has been that America's best businessman is the

American farmer. He will recognize and utilize this loophole. I want to say to you representatives from the Corn Belt that these diverted acres can be put into grain sorghums which are already creating a great surplus problem. Furthermore, the diverted acres can be put into corn, barley, oats, and other price-supported crops in direct competition with corn and feed grains. In reducing some of the wheat surplus, you are, by the same token, adding to the surplus of general farm commodities and, hence, you are getting nowhere fast.

The cost of this bill is more than the present program. Under this bill, the export subsidy which we pay on every bushel of wheat would be raised by 12 cents. This alone means an additional cost of \$63 million per year.

The payment-in-kind provision is estimated to be \$113 million per year. The cost of supporting additional crops planted on that acreage taken out of small farms and additional crops grown by farmers who do not take payments in kind would be around \$75 million per year.

The savings to CCC by virtue of the 20 percent acreage allotment cut would run about \$240 million per year.

Thus, when we add the increased export subsidy of \$33 million plus the payment-in-kind provision of \$113 million, plus \$75 million for diverted acres, and subtract possible savings by the required allotment cut, we come out with a program costing some \$11 million per year more than at present.

You are not meeting the issue, and you are only adding to the cost of the overall surplus problem.

Mr. FRIEDEL. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. FRIEDEL. If we do not adopt the conference report would we go back to the old law?

Mr. HOEVEN. If the conference report is not adopted and no other action is taken by the Congress, the present law will prevail, which means 75 percent of parity and an allotment of 55 million acres.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ARENDS. I wish the gentleman would explain to the House what is going to happen to the 15-acre wheat farmer, and we have many, many of them in Illinois, when they become, as I understand, 12-acre wheat farmers, yet will not be allowed to participate in the referendum. Is that correct?

Mr. HOEVEN. That is correct. The farmers whose exemptions have been reduced from 15 to 12 acres will not be eligible to vote in the referendum. The only one who can vote is the one who plants more than 12 acres, if he has an allotment and is willing to pay a marketing quota penalty if he overproduces.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. BASS of Tennessee. Does not every farmer who now votes, vote under this legislation?

Mr. HOEVEN. The present law still applies, and the 12-acre farmer does not



vote. I think that is one of the glaring faults of this bill. The bill does nothing for the small-sized farms. The 12-acre farmer is disfranchised. The situation is just as it is in the present law.

This conference report, if adopted, would drive us to programs which would involve us in even greater trouble than the present one. Let us not prescribe for a sick patient another dose of what caused the illness in the first place.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. ANDERSON].

(Mr. ANDERSON of Montana asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Montana. Mr. Speaker, the House last Friday approved a good wheat bill. It would have reduced surpluses, cut the costs of the wheat program, and yet would have maintained farm income at a decent level in comparison with the rest of our Nation's economy.

The House wheat bill as reported out by our Committee on Agriculture would have reduced our wheat surpluses by about 200 million bushels. It would have saved more than half a billion dollars in Government outlays, and it would have avoided increased surplus problems for feed-livestock producers. Our House wheat bill would have provided 90 percent of parity in return for a 25-percent cut in acreage allotments and without cross compliance.

I know this would have been workable legislation. I know that our Nation's wheatgrowers would have accepted the measure, even though it called for substantial sacrifices. But we were willing to make those sacrifices in order to further the national interest.

I would like to highly commend our Committee on Agriculture and its able and distinguished chairman, the Honorable HAROLD COOLEY, for bringing out this legislation. Further, I think we should pay high tribute to the Wheat Subcommittee chairman, the Honorable CARL ALBERT, and his vice chairman, the Honorable PAUL JONES. They all did a grand job.

Unfortunately, the conference committee this week was forced to largely accede to the Senate position so that the proposal now before the House makes a demand for still greater sacrifices on the part of our Nation's wheat farmers.

In my opinion, the conference report now before us is little better than the original Senate bill that we had hoped would be improved.

The conference report has the proposal that we further slash the farmers' income after that segment of our population has had years of steadily declining farm income in the face of constantly rising costs. It would cut farmer income around 10 percent in 1960.

Whereas those who work for wages or salaries and get fringe benefits now have a share of the national income at the highest level in our Nation's history the farmer's share now is less than half of what it was only 13 years ago. There are 4,810,000 farm families in the United States, and the income per family, I repeat, per family and not per person in

that family, is only \$2,947. Even with a gross of \$10,000, a farmer makes net after costs no more than most local schoolteachers, and not as much as skilled labor—often less than common labor—despite his large investment.

Wheatgrowers have been falsely getting a lot of damnation of recent years concerning the price of bread. Yet, if a farmer in Kansas gave away his wheat we would still pay 17½ cents for that 20-cent loaf of bread.

It is with the greatest reluctance that I shall vote for the conference report as the lesser of two evils.

In the event that this House does turn down this conference committee report, I would hope that the conferees could then prevail upon the Senate conferees to agree to something about on the order of the House bill which this body, in its wisdom, approved last week.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Speaker, the wheat bill passed by the House of Representatives was in the national interest. Under the House version, production was cut by 14 million acres. That was a drastic cut, but it was a realistic move to attack the surplus problem. In order to compensate the farmer for his loss of production, 90 percent of parity was reinstated, and payment in kind provided. Such a cut without an increase in supports would be disastrous to the farmers.

The Senate, on the other hand, passed a wheat bill which, under the highest graduated scale, provided for a 20 percent cut in acreage but provided only 80 percent supports. Such a bill was entirely unsatisfactory, since it drastically reduced farm income and, at the same time, did not go as far as the House bill in meeting the surplus problem.

The conference committee has in essence agreed to the Senate version, when it adopted the 20 percent cut and 80 percent support version. This would require the farmers in North Dakota to accept an acreage cut of 20 percent with but a 5 percent increase in support price. This would mean a drop of 10 percent to 12 percent in farm income. This would mean that farmers, having suffered the results of falling prices these last 5 years, and having been caught in a cost-price squeeze, would now be asked to reduce their income by another 10 percent to 12 percent.

I was not sent to Congress to reduce the income of farmers. I cannot, therefore, accept the conference report. It is my opinion that if the conference committee version which is, in the main, the Senate version, were to become law, thousands of farmers in the Middle West would become bankrupt, and many would join the ranks of the unemployed in the cities.

I therefore urge my colleagues not to concur in this report.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Speaker, the House passed a reasonable wheat bill. It provided a sufficient cut

in acreage to insure that production would be below annual consumption, and help reduce the surplus. It provided a modest yet reasonable protection of income for the small farmers, and also provided a limit on support to large operators.

It further provided the farmers with a fair alternative choice by vote between a program of reasonable controls with reasonable prices and a program of 50 percent of parity support level with uncontrolled output.

I deeply regret the action of the Conference Committee. This bill cuts wheat farm income by 9 percent. The small operators in my district cannot stand this lowering of income.

I think people are entitled to have us take steps which will guarantee to reduce the surplus in the face of the high cost of carrying it. The conference report may have the effect of not reducing surpluses at all.

I hope the House will support this position and that the Conference Committee will bring back a bill that will keep faith with the interest of the farmers, as well as the interest of the taxpayers by further increases in support prices compensated by further cuts in production.

Mr. HOSMER. Mr. Speaker, will the gentleman from Texas [Mr. POAGE] yield to me?

Mr. POAGE. I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, there are a number of us who would like to vote against all of these bills, but we are not going to have a chance to do that on this vote or any other vote in this session?

Mr. POAGE. I hope not.

Mr. HOSMER. I thank the gentleman.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Speaker, since I represent one of the largest wheat producing districts in the Nation, I feel I must make a few remarks in regards to this conference report.

It is my belief that in passing H.R. 7426 last week the House did a good job. I believed then, and I still believe, that we passed a bill that was good for all Americans.

For the taxpayer, it meant a reduction of more than one half billion dollars during the next 2 years in the cost of the program. It also meant that a significant part of our wheat surplus would be used up.

For the wheat producer, H.R. 7426 meant that his income would be protected during this difficult transition period while the surplus is being whittled down.

Mr. Speaker, I cannot agree to this conference report because it does not give the wheat farmer the protection he must have to survive in a period when his income is going down and the costs of operating are going up.

This conference report, by reducing the support level from 90 to 80 percent of parity, cuts the income of the farmer too much. It means a reduction in income of approximately 10 percent.



Under the formula in this conference report, farmers would have in my district \$150 to \$200 less income from a quarter section of land.

It is true that acreage would be reduced 20 percent instead of 25 percent as provided in H.R. 7426. But a 20 percent reduction in acreage, together with only a slight increase in the support level, adds up to substantially reduced income for the farmer.

Wheat farmers in my area accepted H.R. 7426. They realize that the present surplus of wheat must be reduced. They realize, as I do, that the only practical methods for reducing the surplus are to reduce production or find new uses for wheat. Certainly no wheat farmer wants to lose the use of part of his land, and he cannot afford to lose the use of his land unless he is compensated in part.

H.R. 7426 would have reduced production. It would have saved substantial sums for the taxpayers. And it would have given adequate income protection to the wheat farmer.

However, I submit, Mr. Speaker, that this conference report calls upon the wheat farmer to share too much of the burden in achieving a reduction in production and in the wheat surplus. I seriously doubt the ability of wheat farmers in Kansas to absorb a reduction of \$150 to \$200 per quarter section of land and remain in business.

The Wheat Subcommittee of the House Agriculture Committee worked long and hard in writing H.R. 7426. We heard witnesses from every wheat producing section, including the National Association of Wheat Growers and the Kansas Association of Wheat Growers. We produced a bill that was fair to everyone.

I regret very much that the House conferees accepted the conference report which is before us today. I cannot, as the representative of a wheat producing area, accept this conference report or vote for it.

If I did, I would be voting against the best interests of wheat producers in my district who, I am sure, will be hard-pressed to operate successfully under the provisions of the conference report. Therefore Mr. Speaker, I am opposed to this conference report.

Mr. POAGE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, I agree with the gentleman from Oklahoma [Mr. ALBERT] that this is a compromise bill. It is a compromise at the expense of the right to vote of the small wheat farmers of America. I say this is too much of a compromise.

When the bill was before the House for consideration, the House adopted an amendment to an amendment which I offered to give all wheat farmers of America the right to vote in a wheat referendum. The amendment to my amendment, offered by the gentleman from Oklahoma [Mr. ALBERT] provided that the right to vote would be given to

all wheat farmers if they stayed within their allotment. The House agreed with that amendment and adopted it. I say that the amendment was a gain for the small wheat farmers of America. By virtue of this compromise that the gentlemen from Oklahoma is asking the House to adopt today, they have lost that right to vote.

I say that wheat farmers, regardless of how large or how small, should have the right to vote in America. We should not have different rules for different commodities raised in America. For example, the tobacco farmer, regardless of the size of his allotment, is allowed the right to vote in America. I say we have been discriminating against the small wheat farmer in America by denying him a right to vote. As long as he stays within his allotment he should be entitled to the right to vote.

Mr. Speaker, I urge that the Members of the House go on record against this compromise and for the right to vote for the small wheat farmers of America.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. LEVERING. Mr. Speaker, I voted in favor of the House bill last week because I thought it contained some important provisions, which if properly administered, might solve our No. 1 farm problem. It was far from a perfect bill, but I felt it would reduce the cost of the wheat program to the taxpayers of the country, and that it would reduce the mounting surplus of wheat, all without injury to the farmer or to the consuming public. I supported it too because it provided that which the farmers in my district have wanted for years—the right to vote on whether they want or do not want a farm program.

I rise at this time to associate myself with the remarks of the gentleman from Ohio [Mr. LATTA], with reference to the fact that when the conference committee struck out the right of the small farmer to vote in a wheat referendum, it acted against the interests of the small wheat farmers of Ohio and the Nation.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, when this matter was under debate on the floor of the House on the House bill, my very good friend, the Majority Leader, undertook to chastise the Republican Members for being for the big fellow and never for the small fellow. It looks this time like the shoe is on the other foot. The conference committee action here takes away the right of the small wheat farmer to vote which, in my opinion, is a bad situation.

Mr. LATTA. I agree with the gentleman.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. May I note that most of the wheat farmers

who are producing on 12 to 15 acres are not making their primary income out of wheat and I do not think we should use them to confuse the situation.

Mr. LATTA. In answer to the gentleman's statement I would like to say it does not matter, in my opinion, as to whether he is making his primary income from wheat or whether it is used in a proper rotation of his crops, as is done in the State of Ohio.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I would like to inquire of the chairman with respect to one particular aspect of this bill. Several weeks ago the gentleman from New York [Mr. TABER] introduced an amendment which limited the payment or loan to any one farmer to \$50,000. I understand that figure was subsequently reduced by conference. Is there any provision in this bill which limits the payment or loan to the farmer to any particular figure and, if so, how much?

Mr. POAGE. This bill has a limitation of \$35,000 to any one individual farmer or corporation.

Mr. SANTANGELO. In other words, no farmer, no matter how many bushels he produces, can obtain from the Commodity Credit Corporation a reimbursement of more than \$35,000?

Mr. POAGE. Not only is there a limitation on the size of the loan made to any particular farmer; it is at the lowest level. It is less than I thought desirable, but I think the House expressed itself on that issue, and this compromise contains the limitation the House heretofore approved.

Mr. HOEVEN. Mr. Speaker, if the gentleman will yield, this \$35,000 limitation applies only to wheat.

Mr. SANTANGELO. We are talking about the wheat bill now.

Mr. POAGE. We have nothing before us except the wheat bill. We could not act on any other commodity in this bill. We do retain the minimum limitation approved by the House last week.

Mr. SANTANGELO. I thank the gentleman.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. BASS].

[Mr. BASS of Tennessee addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. POAGE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, the bill before us today is a lot worse than the bill that was passed by the House just the other day. How anybody, whether they voted for or against the bill that passed the House, could ever vote for this bill I do not know. It does many things



that are bad. One has been mentioned before: It denies the right to vote by those people who have traditionally been raising up to 15 acres of wheat and are now cut back to 12 acres of wheat, unless they happen to have an allotment of between 12 and 15 acres. So, it actually denies some people the right to vote on whether their acres should be reduced or not.

Secondly, it offers no protection whatsoever if the farmer should vote out quotas. Now the wheat farmers have a chance to decide whether they want quotas or not by a referendum held each year. If you support this bill, it means that you want those farmers to have no protection whatsoever if they vote out those quotas. If they vote out those quotas and do not stay within their allotments, they would get no price support whatsoever and the 1.3 billion bushels of wheat now in storage would be thrown on the market for 52.5 percent of parity. It would completely ruin the wheat industry in this country, to say nothing of the total feed-grain industry.

Another thing, this bill would not cut back on the surpluses that are now burdening the Federal Government and it would not cost the taxpayers less money. Now, if that is not an indictment against this program that we are attempting to pass today, I do not know what it is.

The bill that we passed the other day did not satisfy me, and I offered a number of amendments which would have made it better. I think we must come to the conclusion that we should offer the farmers of this country a choice, because we cannot agree amongst ourselves. We should give them a choice between freedom to plant all they want and give them only the price support necessary to protect their income, or else give them a high price support and the controls necessary to make it work. Anybody that says 80 percent is as high a price as the farmers should receive does not know what he is talking about. The amendments I wanted to offer the other day would have provided the necessary controls to make that higher price support work, and then the program would have been beneficial and been a good and just bill. But, today all the rights of the wheat farmers were compromised away, and I never could support a bill of this nature.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, with reference to the right of the small grower to participate in a referendum, this bill does not change existing law. If you defeat this bill, no farmer who plants under 15 acres will have that right. If you pass this bill, you will enfranchise 94,000 growers between 12 and 15 acres. This is a more democratic bill than present law. The issue here is between this bill and present law and not anything else. The statement of the gentleman from Minnesota [Mr. QUIE], if I understood him, to the effect that this bill disfranchises somebody simply is not true.

Mr. Speaker, every grower, large or small, under every program that I know anything about who is subject to marketing penalties is given the right to vote. This bill gives every such grower the right to vote. It does not change the law. Any grower who is under marketing quotas has the right to vote. There is not any question about that either in existing law or in this conference report.

This is a compromise between the House and the Senate bill. It is a good compromise on that point, and every Member of this House should not be deluded by the propaganda which Secretary Benson has sent down here in opposition to this bill. The question before those of you who come from farm districts is: "Do you believe in the House Committee on Agriculture or do you believe in Secretary Ezra Taft Benson?"

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Speaker, I think that the decision that we are going to have to make in a few minutes will be the hardest decision that those of us from farm States will have to make in a long, long time. Either way that we decide we are going to disappoint a lot of sincere people in our States who look to the Congress for leadership. But unfortunately or fortunately, as the case may be, we cannot qualify a vote. It is either yes or no. And for that reason I want to explain why I have decided, after a great deal of soul-searching to vote in favor of the conference report.

It represents a great disappointment to me that we lost the fine bill that was passed here in the House of Representatives a few days ago. That was a bill which would have maintained wheat prices at 90 percent of parity, reduced production by 480 million bushels and costs of the program by \$500 million. The bill also contained my amendment limiting price support loans for any one producer to \$35,000. I wish that bill which we passed had not been blocked by the Senate conferees. I am not satisfied with the substitute bill before us but if we turn it down, I fear we are inviting a continued buildup of wheat surpluses which may lead the public to demand an end to our entire price-support program.

The bill that is now before us means a drop in farm income to wheat farmers all over the country. It would result in a drop of somewhere between 7 and 10 percent. But on the other hand if we encourage by the defeat of this bill the continuance of the buildup of wheat surpluses, it is entirely probable that we will lose the entire price-support program. To me that would be the greatest disaster that could happen to American agriculture.

What we are confronted with here today are the sad results of the very bad leadership that we have had from the Department of Agriculture. Secretary Benson has undercut everything that we have attempted to do. Large sections of the public have been poisoned against constructive farm legislation of any kind. It is my hope, whether we pass or defeat the measure before us, that the Committee on Agriculture will, sometime before the end of this session, come up with a

comprehensive farm bill that will respect the interests of the farmers, the taxpayers and the consumers; and that it will be the kind of a bill that will win overwhelming support here in the House. I intend to continue to fight with all my strength for a better break for the American farmer. The efficiency of our farmers is the envy of the world and these hard-working citizens are entitled to a fair return on their labor and investment.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DAGUE].

Mr. DAGUE. Mr. Speaker, I am one of the conferees who did not sign this report. I believe it is definitely not the solution to our present problem.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. DAGUE. I yield to my colleague from Ohio, Mr. LATTA.

Mr. LATTA. Mr. Speaker, I think the play on words that has just been made by the gentleman from Oklahoma [Mr. ALBERT] concerning who has the right to vote and who does not have the right to vote under this bill and under the present law should be cleared up. Under this bill as reported by the conference committee and under the present law, a small wheat farmer below 12 acres would not have the right to vote, notwithstanding the fact that he stayed within his allotment. He is not subject to marketing quotas in either case so let us not attempt to confuse the other Members of the House.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. POAGE. Do they have the right to vote now?

Mr. LATTA. They do not now have the right to vote under the existing law and that is exactly what the House gave those small farmers on last Thursday and that is what the conference committee took away from them.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. DAGUE. I yield.

Mr. HALLECK. Let me just say that in my time here I have seen conference reports voted down and subsequently good legislation has been brought forward and enacted into law. So if this conference report is defeated here today, certainly no one can say that subsequently good legislation could not be enacted. This is a congressional responsibility at this point. So far as I am concerned, I do not think we should get the Secretary of Agriculture mixed up in it too much because at this point it is a congressional responsibility, and a continuing responsibility. If this conference report is voted down, then subsequently good legislation can be enacted.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. POAGE. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, the gentleman from Oklahoma has correctly stated the issues. You do not have a choice here of voting for this bill or the bill that you want. The bill that you want is not



before the House. It is not going to be before the House. There is no one in this House who can write the bill that you collectively want because no one can say what the House wants. There are too many different ideas. What you do have is a choice between this bill and the present expensive program. If you want to continue to pile up surplus wheat, you will vote against any change. We have just heard some complaints about who should vote in this referendum. There is not a man who has complained who has offered any practical way of working that out and there is not a man who has complained who has voted for practical legislation to reduce the surplus of wheat. If you want to reduce the surplus of wheat, you have a clear opportunity to do it by voting for this report.

I am speaking to the gentlemen on my side of the aisle, on the Democratic side, because we are not going to get one vote from the other side of the aisle—maybe we will get one or two from the great wheat-growing States—I hope we may. But, we are not going to get a half dozen votes on the other side of the aisle. I want you people on this side to know that. I want my Democratic colleagues to know that if we are going to have a wheat bill that reduces the surplus, if we are going to stop the drain on the Treasury in paying for this unwieldy surplus, we are going to do it by adopting this conference report this morning. This is all there is. You are going to have your choice now in just a few moments. You are going to be called upon to go on record and vote.

Now what can you vote for? You can vote for the conference report which will materially cut the production of wheat. There is not a man who has denied that this report would materially reduce production. On the other hand, we have had some people complaining about this report because they felt that we went too far and cut the supports too much. I, myself, feel that it would have been better to give a higher support. I favored a higher level of support but this was the best we could get. The other body, and many Members of this body, wanted an even lower level, but no one has questioned the fact that this report would reduce production. If you seriously want to check overproduction, then vote for this report.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ALBERT. With reference to the question on the right to vote that was in the House bill, do you recall anyone voting for the House bill who has complained about that?

Mr. POAGE. No, sir; those who complained so bitterly this morning had their opportunity and they did not vote for what they now say they want.

But back to the report. Do we need a cut in wheat? I do not think anybody will deny that we do. I do not think the most extreme person will deny that we need a substantial reduction in the production of wheat. This bill gives you a reduction of 11 million acres plus whatever reduction there is involved in the reduction of the exemption from 15

to 12 acres. I do not know how much of a reduction that will amount to. But we have heard enough talk on the subject to assume that it will amount to a great deal. But whatever it is there will be more than 11 million acres of wheat taken out of production. Do you think that the taking out of production of 11 million acres of wheat will have a drastic effect upon the production? Oh, they tell us that farmers will add fertilizer. Where will they add fertilizer? They are already fertilizing all over the East and you and I know it. How many of you who live in that western country where they grow the great volume of our wheat would spend one dime putting a load of fertilizer on your wheatland when you do not know the moisture conditions? The experts told the committee that they felt that they could not see any substantial increase in the use of fertilizer at this time.

Mr. BERRY. Mr. Speaker, will the gentleman yield for a question?

Mr. POAGE. I yield.

Mr. BERRY. I would like to have the gentleman explain to the House what the two issues will be on this referendum. Will it be 80 percent of parity providing they reduce their acreage by 20 percent? Or 50 percent of parity without limitation? Is that essentially correct?

Mr. POAGE. That is exactly right.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a correction?

Mr. POAGE. I yield.

Mr. ALBERT. No; the issue here is 80 percent of parity with a 20 percent cut, or 50 percent of parity for cooperators only.

Mr. BERRY. That is right.

Mr. POAGE. That is correct, but the gentleman was saying that if after this bill is passed it goes to a referendum of the wheatgrowers, the wheatgrowers can accept the program this bill provides which is 44 million acres with 80 percent support, or they can vote down quotas; and if they vote down quotas and stay within their allotment they get 50 percent support.

If the individual does not comply with his allotment he gets nothing.

I think the choice which is available to the farmer is a fair one, but the choice to the American people, that is the big thing here before us right now; it is your choice. Are you tired of paying these tremendous sums for storing wheat that nobody needs? If you are you must vote for this bill, because if you vote against this conference report you have voted to continue the present program of 55 million acres of wheat each year with Government support at 75 percent of parity on that entire production—a production several hundreds of millions of bushels in excess of our needs.

Mr. COAD. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COAD. What happens if this bill is sent back to conference?

Mr. POAGE. You will probably get no bill. I gave my opinion a while ago. You have got one chance, and it is now, within the next 5 minutes to vote for this bill or get no bill. There is no use talking about doing something else;

there is no alternative except what is going to be before you on the vote. You have got to face that issue, every one of the Members here, Mr. Speaker, has got to face that issue, and you have got to face it now; and your vote is going to be whether you are in favor of continuing a known and admitted wasteful program, a program that nobody supports; or are you going to join hands with the farmer, ask him to make a cut of 11 million acres, 20 percent of every acre that he grows in return for an increase in supports—of only 5 parity points. Surely the farmer is making a substantial sacrifice.

And, you Members from the large cities please remember this: That is the equivalent of asking a workingman to work 1 less day a week. It is exactly the equivalent of saying to the workingman that he must give up 1 day every week in order that the work may be spread and that he may receive a living wage. That is what we are asking the farmer to do. We are not asking for him to get a dollar an hour; we are asking for him to get only 80 percent of a fair price for the 4 days he has left. How can you do less for any fellow man?

Are we asking too much? Are we exorbitant in our request? We are asking that you stay with us to give this farmer a chance to make a sacrifice of one-fifth of all the wheat he grows and get an increase of only five parity points. I want to ask my Republican friends: Are you going to veto this bill for a nickel? That is what they are threatening us with—a nickel veto.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ABERNETHY. I think most of the Members of the House, want to try to do the right thing about this program. As to those who want to continue the tremendous losses and the tremendous buildup of wheat, would not the thing for them to do be to vote "no" against this report, to vote against it? And those who want to continue the tremendous loss of the Commodity Credit Corporation should do likewise?

Mr. POAGE. Yes; but I cannot imagine anyone wanting to do that.

Mr. ABERNETHY. Is it not also a fact that if they want to cut production 20 percent and reduce the losses to the Commodity Credit Corporation proportionately as well as reduce the surplus would not they follow through on their objective by voting for the conference report?

Mr. POAGE. They certainly would, because this will cut production.

Mr. ABERNETHY. Is it not also true that we have not had too much cooperation from the minority in bringing out any kind of wheat bill?

And is it not a fact that when this Congress ends we are going to be confronted with statements from those on the other side of the aisle: "You had control, you had a chance to do something and you have done nothing." And is it not also true that the gentlemen on the other side of the aisle have contributed materially to the confusion that exists in the hope we will not do anything?



Mr. POAGE. I would say that is a fair conclusion, although I would not want to draw it.

Now, just a word to those who have not already closed their minds. I am talking to those who have an open mind, who might be interested in doing something for the taxpayers, who might be interested in doing something to save this country from the tremendous surplus of wheat that exists. If you want to do that you have the opportunity this morning, by adopting this report. Remember, if you vote against this report you vote to keep 55 million acres in production.

This compromise does not go as far as I would like to go. I would like to make it a 25-percent cut and I would like to pay our farmers more; but it does go a long way in the direction that every one of us has publicly said we want to go. Now, vote the way you said you wanted it to go.

The SPEAKER. The time of the gentleman from Texas has expired.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I oppose the conference report because everything I have heard here today indicates that nobody thinks this is a good bill. It is hard to recall a time when a piece of legislation was presented with as much confusion as this so-called compromise. The people of my district want a realistic, constructive, and workable program and certainly this legislation will not accomplish these objectives. I hope the Agriculture Committees of both bodies will present such a program in the immediate future.

Mr. GUBSER. Mr. Speaker, the following statement of Secretary Benson tells, in a nutshell, why this is a bad bill and should be defeated. I heartily endorse it and urge my colleagues to do likewise:

#### STATEMENT OF SECRETARY BENSON RE PENDING WHEAT BILL

The conferees' wheat bill would continue programs harmful to farmers and unfair to every taxpayer.

It would mistakenly perpetuate the basic elements of a wheat program that has created the very problem Congress is now struggling to solve.

The bill would intensify rather than improve the wheat crisis.

The bill moves in the exact opposite direction from which history proves we should be going. It tells farmers to increase their yields per acre because the Federal Government will support the price at an even higher rate than helped to stimulate the present vast surpluses.

The bill contains a 20-percent wheat acreage reduction which is practically meaningless when combined with the increased price incentive which will stimulate larger production on remaining acres.

The bill is harmful to farmers. It perpetuates the inequities of a wheat program that denies acreage to the efficient pro-

ducer and encourages the inefficient wheat producer to greater production efforts that further aggravate the wheat surplus problem, both from the standpoint of quantity and quality.

At a time when the Nation is shocked with the expensive wheat program, the Congress now considers a bill that is even more costly.

American farmers do not want to be saddled with the impossible chore of defending such an expensive program. Taxpayers on the farms and in the villages and cities of this Nation have a right to object to such fiscal irresponsibility.

This bill does nothing to give small family-sized farms a vote in a wheat marketing quota referendum. Tobacco farmers with one-tenth of an acre allotment are allowed to vote on their programs but wheat farmers with as much as 15 acres are not permitted to vote.

This bill imposes additional restrictions on farmers when the nationwide cry among farmers is for more freedom.

This bill is unsound, unjust, unrealistic, and unwanted by farmers and other taxpayers.

The House should reject it today and commence work on a wheat bill that is reasonable, realistic, and beneficial to farmers of the Nation.

Mr. BROOMFIELD. Mr. Speaker, the wheat bill arrived at in conference and which is before us today for consideration will not begin to solve any of our major farm problems. In addition, it will continue and expand a program which has imposed undue and unnecessary restrictions on our farmers, robbed our taxpayers of billions of dollars annually and priced food products out of reach in many instances.

It will make our farm situation worse, not better. At a time when we should be moving toward less controls and more reliance upon the law of supply and demand, we find we are presented with a measure which will increase our surpluses, cost us more money and tie the farmer hand and foot with red tape and bureaucracy.

We should be moving in the direction of curing our farm ills, not providing a crutch which can only lead to further weakening of the sinews of our farm economy. We should start abolishing controls and price supports and permit our farm goods to compete on world markets. This is the only way we are going to get rid of our mounting surplus stocks of wheat and other crops.

This bill will not accomplish what it is supposed to do. Wheat farmers will simply grow more wheat on fewer acres if this proposal is permitted to become law. Our agriculture expenditures are going to continue to increase, gobbling up ever-growing amounts of our Federal budget, wasting tax dollars at a time when we can use every dollar we can get, stifling freedom with the excuse that a nebulous security can be achieved.

Our farmers do not have to be coddled. Our taxpayers do not have to be milked. Our consumers do not have to be squeezed by higher prices. Why do not we admit that our farm support program has been a colossal multibillion-dollar failure and take steps to get rid of it?

When we start moving in the direction of free market conditions for our farm products, we will start seeing some end to this problem. We will see our crops

become increasingly important in world trade and greater consumption of these goods in our domestic market.

I urge my colleagues to join with me in defeating this bill and give the conference committee another opportunity to draft legislation which will alleviate our farm program, not make it worse.

Mr. DORN of New York. Mr. Speaker, I represent a city district in which the people have been paying more and more for staple food. Bread prices have been on the rise. These people are sick and tired not only of paying higher prices for food, but of paying higher taxes in order to have the privilege of paying higher prices. They are hit doubly.

Some of us would not object to this legislation if it were really helping the small farmer. Statistics, and the information at hand, point to the fact that it is the large farmer who is being helped, especially in the wheat program. If the farmers and the professors in agricultural colleges, the farm organizations, and the U.S. Department of Agriculture have not, and apparently cannot, reach some sensible agreement with respect to a program which can be administered, and will, under actual trial, prove to be a reasonably effective solution, it is high time for the Congress to call a halt. I hope you will vote against the conference report.

Mr. ULLMAN. Mr. Speaker, I intend to vote for the wheat bill now before the House but I do so with the greatest possible reluctance. It is a most unhappy compromise but, unfortunately, it appears to be the only bill standing any chance of enactment.

Last Friday the House approved wheat legislation which I firmly believe marked a sincere and responsible approach to the wheat surplus problem facing the Nation. It called for a 25-percent cut in wheat acreage with a 90 percent of parity provision. Major reduction in our wheat surpluses would have resulted from the bill's enactment.

Mr. Speaker, the bill approved by the House last week was not going to make the average wheat farmer a wealthy man. Enactment would have resulted in a substantial cut in the income of the average wheat farmer. If we take a 500-acre wheat farm as an example, assume a 30-bushel yield and take into consideration payment-in-kind, my figures show that the gross income of that farmer under the present program amounts to approximately \$7,515. The bill approved by the House last week would have cut that income to \$7,095. The bill before us today would further cut that gross income to \$6,722.

Mr. Speaker, when we recall the cost-price squeeze affecting all segments of agriculture and when we remember the large investment that any wheat farmer has in his farm operation, we soon find that the legislation before us today is far from satisfactory. It fails miserably to meet the problems of the small farm operator. That problem still remains unsolved and grows increasingly complex. It is my fervent hope that the 86th Congress will have a further opportunity to reconsider the problems facing American



agriculture so that constructive action can be taken.

Mr. HOSMER. Mr. Speaker, previously I have spoken to this body regarding my four-point program to end the farm mess. The plan is to stop all farm subsidies now, hold a fire sale to get rid of our \$9 billion in surpluses costing \$1 billion a year to store, then use the proceeds to relocate small farmers who cannot survive without supports, to reduce the National debt, and to start tax reduction. I believe it should be of interest to this body to know that from the great farm area of our country mail is coming into my office approving this program, just as it is coming in from city areas. Further details will be found in the RECORD for June 9, at page 9334.

A letter from Northbrook, Ill., says:

As a taxpayer your four-point program earns my wholehearted support.

From Geneva, Ill.:

As a farmer owning and operating a farm, I wish to state that I am in accord with your four-point program to end farm subsidies.

From Elmhurst, Ill.:

You have the only plan that will work. I am writing my opinion to him (my own Congressman) in another letter.

From Glenview, Ill.:

We want free enterprise and your ideas will surely help make this possible.

From Chicago, Ill.:

Your four-point program to end the farm subsidy mess is the best thing I have ever heard of.

From Palatine, Ill.:

Hope you will continue to fight for free enterprise.

From a Chicago commodity broker:

Your program to end the farm mess deserves a letter of commendation from every taxpayer in the United States.

From another Chicago commodity broker:

Congratulations on your sensible and courageous stand on the farm problem, since grain marketing is my business, I know whereof you speak.

From another Chicagoan:

I certainly wish that all Congressmen would support this sensible view that you have proposed.

There are a lot of us here in the House that would like a chance to vote against all farm subsidies, I would like to know if we are going to have a chance to do so on the forthcoming vote, or at any time this session.

Mr. LATTA. Mr. Speaker, during the debate on the wheat bill, I mentioned that I would offer at the proper time the amendment to restore the 15-acre exemption for the small wheat farmer. I did so to forewarn the House that such an important amendment would be forthcoming. My remarks appear on page 9537 of the RECORD concerning my intention to introduce this amendment. Notwithstanding this fact, the chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. COOLEY], moved that the debate on the bill cease before I had the opportunity to offer the amendment. Mr. COOLEY's

motion to close the debate was agreed to. Due to the adoption of Mr. COOLEY's motion, I was unable to explain my amendment at the time it was offered, and it was rejected. My amendment to restore the 15-acre exemption appears on page 9542 of the RECORD. As a consequence, thousands and thousands of small wheat farmers in America will be forced to take a 3-acre reduction in their wheat acreage and will be deprived of much needed income if this bill becomes law.

Mr. POAGE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. HOEVEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 214, not voting 18, as follows:

[Roll No. 91]

YEAS—202

Abbitt	Gray	Natcher
Abernethy	Green, Oreg.	Norrell
Albert	Hall	O'Brien, Ill.
Alexander	Hardy	O'Hara, Ill.
Alford	Hargis	O'Hara, Mich.
Andersen,	Harmon	O'Konski
Minn.	Harris	Oliver
Anderson,	Healey	Passman
Mont.	Hébert	Patman
Andrews	Hemphill	Perkins
Anfuso	Herlong	Pfost
Ashmore	Hogan	Pilcher
Aspinall	Hollifield	Poage
Avery	Holland	Porter
Bailey	Huddleston	Preston
Barden	Hull	Price
Bass, Tenn.	Ikard	Prokop
Beckworth	Jarman	Rains
Bennett, Fla.	Jennings	Randall
Berry	Johnson, Calif.	Reuss
Boggs	Johnson, Colo.	Riley
Bolling	Johnson, Wis.	Rivers, Alaska
Bonner	Jones, Ala.	Rivers, S.C.
Bowles	Jones, Mo.	Roberts
Brademas	Karsten	Rogers, Fla.
Brock	Karth	Rogers, Tex.
Brooks, La.	Kee	Roosevelt
Brooks, Tex.	Keogh	Roush
Brown, Ga.	Kilday	Rutherford
Brown, Mo.	Kilgore	Santangelo
Buckley	King, Calif.	Saund
Burke, Ky.	King, Utah	Scott
Burleson	Kitchin	Selden
Cannon	Kluczynski	Shelley
Carnahan	Landrum	Shibley
Carter	Langen	Short
Casey	Lennon	Sikes
Celler	Lesinski	Sisk
Cheif	Libonati	Slack
Coad	Loser	Smith, Miss.
Colmer	McCormack	Smith, Va.
Cook	McDowell	Spence
Davis, Ga.	McFall	Steed
Davis, Tenn.	McGinley	Stubblefield
Dawson	McGovern	Sullivan
Dent	McMillan	Teague, Tex.
Denton	McSween	Teller
Diggs	Machrowicz	Thomas
Dingell	Mack, Ill.	Thompson, La.
Dollinger	Madden	Thompson, Tex.
Dowdy	Mahon	Thornberry
Downing	Marshall	Trimble
Doyle	Matthews	Tuck
Durham	Metcalf	Udall
Edmondson	Miller	Ullman
Elliott	Clem	Vinson
Everett	Miller	Walter
Evins	George P.	Wampler
Fascell	Mills	Watts
Fisher	Mitchell	Weaver
Flood	Montoya	Whitener
Flynt	Moorhead	Wier
Foley	Morgan	Williams
Forrester	Morris, N. Mex.	Winstead
Fountain	Morrison	Wolf
Frazier	Moss	Wright
Gathings	Moulder	Young
George	Multer	Zablocki
Grant	Murray	

NAYS—214

Adair	Flynn	Minshall
Addonizio	Fogarty	Moeller
Alger	Forand	Monagan
Allen	Ford	Moore
Arends	Frelinghuysen	Morris, Okla.
Ashley	Friedel	Mumma
Auchincloss	Fulton	Murphy
Ayres	Gallagher	Nelsen
Baker	Garmatz	Nix
Baldwin	Gary	Norblad
Baring	Gavin	O'Brien, N.Y.
Barr	Gialmo	O'Neill
Barrett	Glenn	Osmer
Barry	Goodell	Ostertag
Bass, N.H.	Granahan	Pelly
Bates	Green, Pa.	Philbin
Baumhart	Griffin	Pillion
Becker	Griffiths	Pirnie
Bennett, Mich.	Gross	Poff
Bentley	Gubser	Powell
Betts	Haley	Pucinski
Boland	Halleck	Quile
Bolton	Halpern	Quigley
Bosch	Hays	Ray
Bow	Hechler	Rcece, Tenn.
Boyle	Henderson	Rees, Kans.
Bray	Hess	Rhodes, Ariz.
Breeding	Hiestand	Rhodes, Pa.
Brewster	Hoeven	Riehlman
Broomfield	Hoffman, Ill.	Robison
Brown, Ohio	Hoffman, Mich.	Rodino
Broyhill	Holt	Rogers, Colo.
Budge	Holtzman	Rogers, Mass.
Burdick	Horan	Rooney
Burke, Mass.	Hosmer	St. George
Bush	Irwin	Saylor
Byrne, Pa.	Jackson	Schenck
Byrnes, Wis.	Jensen	Scherer
Cahill	Johansen	Schwengel
Cederberg	Johnson, Md.	Siler
Chamberlain	Jonas	Simpson, Ill.
Chenoweth	Judd	Simpson, Pa.
Chiperfield	Kastenmeier	Smith, Calif.
Church	Kearns	Smith, Iowa
Clark	Keith	Smith, Kans.
Coffin	Kelly	Springer
Collier	Kilburn	Staggers
Conte	Kirwan	Stratton
Corbett	Knox	Taber
Cramer	Kowalski	Taylor
Cunningham	Lafore	Teague, Calif.
Curtin	Laird	Thompson, N.J.
Curtis, Mass.	Lane	Thomson, Wyo.
Curtis, Mo.	Lankford	Toll
Daddario	Latta	Tollefson
Dague	Levering	Utt
Daniels	Lindsay	Vanik
Delaney	Lipscomb	Van Pelt
Derounian	McCulloch	Van Zandt
Derwinski	McDonough	Wainwright
Devine	McIntire	Wallhauser
Dixon	Mack, Wash.	Wels
Donohue	Mailliard	Westland
Dooley	Martin	Wharton
Dorn, N.Y.	Mason	Whitten
Dulski	May	Widnall
Dwyer	Meador	Withrow
Fallon	Morrow	Yates
Farbstein	Meyer	Younger
Feighan	Michel	Zelenko
Fenton	Miller, N.Y.	
Fino	Milliken	

NOT VOTING—18

Belcher	Cooley	Magnuson
Blatnik	Dorn, S.C.	Rabaut
Blitch	Hagen	Rostenkowski
Boykin	Harrison	Sheppard
Canfield	Kasem	Willis
Cohelan	Macdonald	Wilson

So the conference report was rejected. The Clerk announced the following pairs:

Mr. Cooley for, with Mr. Harrison against.  
Mr. Willis for, with Mr. Wilson against.  
Mr. Rabaut for, with Mr. Belcher against.  
Mr. Cohelan for, with Mr. Canfield against.  
Mr. Magnuson for, with Mr. Macdonald against.

Mrs. Blitch for, with Mr. Dorn of South Carolina against.

Mr. Blatnik for, with Mr. Hagen against.

Mr. Boykin for, with Mr. Rostenkowski against.

Mr. DENT and Mr. FOLEY changed their vote from "nay" to "yea."

Mr. DERWINSKI and Mr. BARR changed their vote from "yea" to "nay."



The result of the vote was announced as above recorded.

Mr. ALBERT. Mr. Speaker, I move that the House insist on its amendment to the Senate bill and ask for a further conference with the Senate.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, ALBERT, HOEVEN, DAGUE, and BELCHER.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7349. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLAND, Mr. ELLENDER, Mr. MAGNUSON, Mr. KEFAUVER, Mr. HAYDEN, Mrs. SMITH, Mr. BRIDGES, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. HAYDEN, and Mr. BRIDGES to be the conferees on the part of the Senate.

#### AMENDING MUTUAL SECURITY ACT OF 1954

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7500, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, there was pending the amendment offered by the gentleman from Alabama [Mr. SELDEN].

Without objection, the Clerk will again report the amendment offered by the gentleman from Alabama.

There was no objection.

The Clerk read as follows:

On page 6, line 2, strike out "\$800,000,000" and insert in lieu thereof "\$700,000,000".

Mr. CARNAHAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, when the Committee rose on yesterday there was pending an amendment on page 6, line 2, which would strike out "\$800,000,000" and would insert "\$700,000,000."

This item has to do with the Development Loan Fund.

I would like to call the attention of the members of the Committee to the fact that the Committee on Foreign Affairs gave very careful consideration to this item. The item was considered in connection with two other items in the bill.

This item was considered in connection with military assistance and with defense support. It was the aim of the committee in the action we took on these three items to show a shift in emphasis in the mutual security program.

We wanted, first, to show an emphasis in a shift from military assistance to economic assistance. The committee reduced the request for military aid rather substantially. We also reduced the request for defense support and we increased the request of the executive department for the Development Loan Fund. This request for an increase is rather meager. We increased the request by \$100 million and, as I said, we would like for this to show a shift in emphasis on the program from military assistance to economic assistance.

The Committee of the Whole has already sustained our committee in the first two items, that in military assistance and that in defense support. We sincerely trust that the Committee will now go the rest of the way with the Committee on Foreign Affairs and indicate this shift in emphasis from military to economic assistance by voting down the pending amendment, which would reduce the figure.

The Development Loan Fund was increased for another purpose. Aside from the fact that this item is justified on its own merits, it was increased to show that we would like to have a trend from grants to loans in this program. So many times here before the House the Committee on Foreign Affairs has been urged to shift from grants to loans. Now we are attempting to make such a shift. We hope you will sustain us in this shift. If we are ever going to get away from foreign aid by grants and shift to loans, we are going to have to give increased attention to the Development Loan Fund.

I urge, and the committee urges, that you now sustain us in the third item which indicates these shifts.

Mr. MERROW. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. MERROW asked and was given permission to revise and extend his remarks.)

Mr. MERROW. Mr. Chairman, I rise in opposition to the amendment. We must keep in mind that one of the major postwar phenomena is the determination

of people all over the world to improve their standards of living. There is much we can do to give this urge direction and meaning and even turn it to our advantage.

In adopting legislation to set up the Development Loan Fund are these words, "The progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. The Congress further recognizes the necessity in some cases of assistance to such peoples if they are to succeed in these efforts."

#### THE ECONOMIC FRONT

We are engaged in a worldwide struggle with international communism and therefore the necessity of passing measures for the defense of our own country and for the defense of the free world. In my remarks during the general debate on this bill we are now considering, I termed it "the second defense measure" to be acted upon by this House in the past few weeks. We are now discussing a most important section of the present defense measure which has to do with the economic development of various countries.

I am glad that we always approve practically unanimously the appropriations for the Defense Department. Military strength and preparedness are absolutely essential in preserving our freedom and the freedom of our allies, but I do not hesitate to say that in the long run the struggle in which we are now engaged will probably be resolved on the economic front. Therefore, the necessity of the Development Loan Fund.

For a long time, I have been of the opinion that we should provide at least a billion dollars a year to carry on the work of this Fund. I am pleased that the committee this year increased the Executive request by \$100 million and I hope that the House will sustain the action of the committee.

#### THE DRAPER COMMITTEE

May I call attention to the words from the report of the Draper Committee, appointed by the President to study U.S. military assistance. The Committee made a significant observation on the role of economic help in the following statement:

The fostering of economic growth throughout the free world presents a real challenge to the American people. Here is a positive goal which is consistent without long-term economic interests and at the same time provides an opportunity to further the free political development of other nations. This opportunity calls for a cooperative effort by the United States and other nations which can generate export capital. There is need for both public and private financing, and for multilateral and unilateral programs, with increasing emphasis on loans rather than grant aid.

The Committee further emphasized:

The proposed economic assistance program for fiscal year 1960 is the minimum needed. Material reductions in the total might well restrict the United States to a disproportionately military approach, and thus make the Communist economic offensive more effective. In fact, a level of lending for eco-









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

## CONTENTS

Issued June 23, 1959  
For actions of June 22, 1959  
86th-1st, No. 103

Accounting.....	12
Alaska.....	25
Appropriations.....	3,5
Budget.....	12
Butter.....	17
CCC grain.....	16
Corn tassel.....	22
Country life.....	11
Depressed areas.....	27
g prices.....	21
Electrification.....	13
Farm program.....	26
Federal land banks.....	15
Federal-State relations.....	17
Food and drug.....	17
Foreign aid.....	4,19
Foreign trade.....	18
Forestry.....	10
Health.....	5
Housing.....	2
Interest rates.....	23

Intergovernmental relations.....	14
Legislative program.....	15
Mutual security.....	4,19
Nomination.....	9
Personnel.....	5,31
Price supports.....	1,17
Prices.....	8,21
Property.....	29
Public debt.....	7,23,32
REA audit.....	13
Research.....	20
Rice.....	30
Rural development.....	12
Rural libraries.....	6
State laws.....	17
Tariffs.....	28
TVA.....	9
Wheat.....	1,24
Wildlife.....	16

HIGHLIGHTS: Senate agreed to wheat bill as passed by House. Senate agreed to conference report on housing bill. Senate committee reported mutual security authorization bill. Senate committee reported general government matters, independent offices, and State-Justice appropriation bills.

## SENATE

1. WHEAT. By a 44-40 vote, receded from the previous disagreement of the Senate to the amendments of House to S. 1968, the wheat bill, and agreed to the bill as passed by the House (pp. 10366-7, 10431, 10436-43). Agreed to a motion by Sen. Ellender to table a proposed amendment by Sen. Case, S. Dak., which would have reduced the level of price supports provided in the bill from 90 to 85 percent of parity (pp. 10440-42). This bill will now be sent to the President. Sen. Ellender inserted an explanation of the bill as passed by the House as follows:

"The House amendment to S. 1968 is a complete substitute for the Senate provisions. It would make the following changes in existing law:  
"With respect to the 1960 and 1961 wheat crops, it would --  
"(1) Provide price support at 90 percent of parity,  
"(2) Reduce each farm acreage allotment by 25 percent.

"(3) Require, as a condition of wheat price support, that the farm acreage of price supported crops be reduced below the 1957 and 1958 average by an acreage equal to the 25 percent reduction in the wheat acreage allotment.

"(4) Provide for a payment in kind (equal to one-third of the average annual wheat yield) for the acreage representing the 25 percent reduction, if such acreage is not harvested or grazed.

"(5) Provide that the acreage represented by the 25 percent reduction shall be ineligible for the conservation reserve.

"(6) Limit price support to the commercial area and, if marketing quotas are not disapproved, to cooperators.

"(7) Provide price support at 50 percent of parity to noncooperators, as well as cooperators, if marketing quotas are disapproved.

"(8) Provide that if marketing quotas are disapproved, the minimum Commodity Credit Corporation sales price for wheat for unrestricted use shall be 105 percent of 75 percent of parity, plus reasonable carrying charges.

"(9) Impose penalties on the actual yield of the excess acres (or double the normal yield if the actual yield is not shown); except that if the actual yield does not exceed the normal yield of the farm acreage allotment, the marketing excess would be reduced to zero.

"(10) Increase the marketing penalty to 65 percent of parity.

"(11) Reduce the 15-acre exemption to the small of (A) 12 acres, or (B) the highest acreage planted in 1957, 1958, or 1959.

"(12) Remove the 30-acre limitation on the feed wheat exemption.

"The House amendment contains a \$35,000 limitation on price support for wheat per producer per year, which we understand is intended to be permanent. In addition the House amendment would permanently --

"(A) Provide that in any case in which the wheat marketing excess for a farm is reduced to zero by reason of underproduction, the farm, county, and State shall not receive an acreage history penalty by reason of the overplanting.

"(B) Base eligibility for voting in marketing quota referendums on compliance with allotments in the year in which the referendum is held (rather than on being subject to the quota being voted on).

"(C) Repeal the 200 bushel wheat marketing quota exemption.

"(D) Repeal a requirement that an additional allotment list be kept by the county agent or local committee chairman."

2. HOUSING. Agreed, 56 to 31, to the conference report on S. 57, the housing bill for 1959 (pp. 10383-8, 10389-436). See Digest 102 for a summary of items of interest to this Department.

3. APPROPRIATIONS. The Appropriations Committee reported the following bills with amendments: p. 10355

H. R. 7040, the independent offices appropriation bill for 1960 (S. Rept. 423).

H. R. 7176, the general government matters appropriation bill for 1960 (S. Rept. 422).

H. R. 7343, the State-Justice appropriation bill for 1960 (S. Rept. 424).

4. MUTUAL SECURITY. The Foreign Relations Committee reported with amendment S. 1451, to extend the mutual security program (S. Rept. 412). p. 10354

5. PERSONNEL; HEALTH. A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee S. 2162, to provide a health benefits program for Government employees. p. D511



priations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

#### PROHIBITION OF USE OF AIRCRAFT OR MOTOR VEHICLES TO HUNT CERTAIN WILD HORSES OR BURROS—ADDITIONAL COSPONSOR OF BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the name of the Senator from Illinois [Mr. DOUGLAS] may be added as an additional cosponsor of the bill (S. 2167) to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes, introduced by me on June 15, 1959.

The VICE PRESIDENT. Without objection, it is so ordered.

#### AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO OVERSEA USE OF SURPLUS PROPERTY — ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 17, 1959, the names of Senators HOLLAND, KERR, and MONRONEY were added as additional cosponsors of the bill (S. 2198) to amend the Federal Property and Administrative Service Act of 1949, introduced by Mr. ALLOTT (for himself and Mr. LANGER) on June 17, 1959.

#### PRINTING OF REVIEW OF REPORT ON SOUTH BRISTOL HARBOR, MAINE (S. DOC. NO. 30)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated May 6, 1959, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of report on South Bristol Harbor, Maine, requested by resolution of the Committee on Public Works, adopted May 18, 1950. I ask unanimous consent that the report be printed as a Senate document, with an illustration, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON of Texas:

Article entitled "Baptist Minister Thinks Soviet Does Not Want War," from the Wichita Falls Times of March 8, 1959.

By Mr. HUMPHREY:

Essay written by him, published in the June 1959 issue of Western World, entitled

"Steps Toward Effective Unity Are Possible Now."

Editorial published in the June 17, 1959, Washington Post and Times Herald, entitled "The Blood of the Martyrs", which will appear hereafter in the Appendix.

Article entitled "Human Wealth and Economic Growth," written by Theodore W. Schultz, and published in "The Humanist," No. 2, 1959.

By Mr. WILLIAMS of Delaware:

Address entitled "How Delaware Does It," delivered by Governor J. Caleb Boggs of Delaware to members of the President's Committee on Employment of the Physically Handicapped, at Washington, D.C., on May 7, 1959.

By Mr. WILEY:

Excerpts from report of the President's Committee on Employment of the Physically Handicapped.

By Mr. THURMOND:

Address entitled "The International Military Situation," delivered by Robert H. Knight, Deputy Assistant Secretary of Defense, to the 12th annual conference of the Military Government Association, in Washington, D.C., on June 13, 1959.

Address entitled "Service to the Nation," delivered by Lt. Gen. Arthur G. Trudeau, Chief of Research and Development, Department of the Army, before South Carolina American Legion, at Charleston, S.C., on June 20, 1959.

By Mr. TALMADGE:

Resolution of Board of Aldermen of City of Atlanta, Ga., adopted June 1, 1959, commending Hon. John L. Conner, of Atlanta, Ga.

Memorial to the late Judge Samuel Hale Sibley by trustees of University of Georgia Foundation.

Address entitled "Professional Responsibility and the Bar," delivered by Ross L. Malone, president, American Bar Association, before annual meeting, Georgia Bar Association, at Savannah, Ga., June 18, 1959.

Article entitled "Safeguarding Our Liberty," written by Dr. George S. Benson, of Searcy, Ark., and published in his column entitled "Looking Ahead," for June 10, 1959.

By Mr. MUNDT:

Commencement address by Robert C. Liebenow, president, board of trade, city of Chicago, delivered at University of South Dakota on June 1, 1959, which will appear hereafter in the Appendix.

Crusade for Freedom statement by Hon. Charles R. Hayes, of Deadwood, S. Dak.

By Mr. LAUSCHE:

Address on the subject "Whither Educational Broadcasting?" delivered by Paul L. Chamberlain before the Institute for Education by Radio-Television, in Columbus, Ohio, May 7, 1959.

Sermon on the subject "A Catholic President in the White House?" by Dr. Abba Hillel Silver, of Cleveland, Ohio.

By Mr. BARTLETT:

Address on the subject "Weights and Measures in Alaska—the 49th State," delivered by R. A. Findlay before the 44th National Conference on Weights and Measures, in Washington, D.C., June 10, 1959.

By Mr. DOUGLAS:

Statement by Miss Margo Cairns, of Washington, D.C., advocating adoption of tassel of Indian corn—maize—as national floral emblem.

Statement by Father Robert J. McEwen, associate professor of economics and chairman of the department in the university at Boston College, before Senate Committee on Interstate and Foreign Commerce in the hearings on fair trade.

By Mr. MANSFIELD:

Editorial entitled "The Issue Over Government Bond Interest Rates," published in the

Lewistown (Mont.) Daily News of June 16, 1959.

By Mr. CARLSON:

Editorial published in the Wichita (Kans.) Beacon on June 7, 1959, entitled "History Brutalizes Everyone."

By Mr. MONRONEY:

Editorial entitled "The Strauss Debate," published in the Washington Post and Times Herald of Saturday, June 20, 1959.

By Mr. NEUBERGER:

Editorial entitled "The Egg and We" published in the East Oregonian of June 18, 1959.

Column entitled "It Seems to Me," written by Charles A. Sprague, and published in the Oregon Daily Statesman of June 10, 1959.

Article entitled "Tax Help in Sight for Professions," written by J. E. McMahon, and published in the New York Times on June 21, 1959.

By Mr. BEALL:

Editorial entitled "Not Mr. Benson," from the Baltimore Sun of June 9, 1959, relating to the production of wheat.

By Mr. SALTONSTALL:

Article entitled "Businessmen Must Get Into Politics," written by Horace E. Sheldon and reprinted from the Harvard Business Review of March–April 1959, which will appear hereafter in the Appendix.

By Mr. COTTON:

Article published in the June 22, 1959, issue of Broadcasting magazine, entitled "Diversity in New Hampshire."

By Mr. CASE of New Jersey:

Column entitled "Statehouse Diary," from the Moorestown (N.J.) News Chronicle of June 11, 1959, written by State Senator Albert McCay, paying tribute to the late John Foster Dulles.

By Mr. THURMOND:

Article entitled "What Written Constitution?" written by David Lawrence, and published in the U.S. News & World Report for June 29, 1959.

#### SENATOR MORSE'S RECENT "GOOD NEIGHBORS" SPEECH

Mr. MANSFIELD. Mr. President, last week, I had printed in the RECORD an excellent speech made by the senior Senator from Oregon [Mr. MORSE] at Mexico City College. I am in receipt of a news story covering that speech, which does great credit to the Senator from Oregon, and which was carried in the Christian Science Monitor of June 19, 1959.

I ask unanimous consent that the news story, by Marion Wilhelm, be incorporated at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORSE SETS CLIMATE FOR MEXICO TALKS

(By Marion Wilhelm)

MEXICO CITY.—Senator WAYNE MORSE's recent "good neighbors" speech is setting a friendly climate for hearings scheduled here next fall by the Senate subcommittee on Latin-American relations.

As chairman, the plain-speaking Democratic Senator from Oregon is directing a 2-year study of inter-American problems which is to move into informal consultations with Mexicans probably in October or November.

Latin-American views will be weighed into recommendations to improve United States policies in the southern half of the hemisphere.

Senator MORSE's address June 11 to the graduating of Mexico City College stirred



Interest in Latin America for suggestions rarely, if ever, heard here from official United States spokesmen since the end of the Roosevelt administration. The talk was regarded as especially significant because of Senator Morse's position in the Senate Foreign Relations Committee.

#### RECOMMENDATIONS OUTLINED

"Without anticipating committee recommendations," he put himself on record for:

1. Line-of-credit arrangements which "would make it easier for all peoples of this hemisphere to develop their own resources in their own way."

2. An American common market embracing the entire hemisphere in the effort now being made by Latin Americans for their own part of Americas.

3. A hemisphere plan to reduce or at least limit armaments in order "to free very considerable resources \* \* \* more badly needed for schools and other socioeconomic development" and to "diminish the influence of the military and increase the influence of the civilian branches of Government."

4. More attention to education—"a 20th-century economy cannot exist in an 18th-century social structure."

#### DETERMINATION EXPRESSED

"We are determined to do a thoroughly objective, nonpartisan job," said the chairman of subcommittee plans, "and we hope that we can make useful, constructive recommendations. It would be premature at this point for me to try to anticipate what those recommendations will be, and I shall not do so. I think I can, however, lay down (these) general principles."

Senator MORSE said he was optimistic about the "surge for freedom" in the last 7-year period in Argentina, Bolivia, Colombia, Cuba, El Salvador, Honduras, Peru, and Venezuela.

"I foresee an eventual development of a new level of friendship and understanding between the United States and Latin America," he declared.

"Friendship between nations must ultimately rest upon the deepest sense of dignity, of self-respect, which nations feel about themselves. As freedom is acquired, as development occurs, as stability and progress are achieved, a nation's self-respect grows. The extremes of popular nationalism, so widespread at the beginning of the journey of progress, are converted into self-confidence as nations acquire the mastery of self-government. And when self-confidence begins, so does the possibility of friendship and understanding."

#### CAPITAL GOAL SET

Economically, he went on, it is in the national interest of the United States at this time to export capital, just as it is in the interest of most other American republics to import capital.

Most of the outflow is equity capital looking for a profit, he pointed out.

"There is nothing wrong with this," according to Senator MORSE. "The trouble is it doesn't go far enough. It doesn't go into the kind of nonprofit development which is essential to economic growth."

Acknowledging the contributions of the World Bank, Export-Import Bank, Development Loan Fund, and the forthcoming Inter-American Development Bank, the Senator questioned the effectiveness of their present approach to basic development in view of what he called the fundamental right of all peoples to develop resources their own way.

#### CREDIT ARRANGEMENT URGED

He elaborated:

"Better results would follow, in my judgment, if greater use were made of line-of-credit arrangements under which credits are established and drawn on as needed for a variety of specific projects. In certain cir-

cumstances, it might even be possible and desirable to work out provisions for these lines of credit to revolve—that is, for repayments automatically to replenish the total amount of credit that could be drawn."

His suggestions of an American common market, hemispheric arms reductions, and expansion of educational facilities cited the Organization of American States as an instrument which could lead the way toward economic and democratic unity.

Communism is one of the obstacles in the way, he concluded.

"But what has communism to offer? It offers this hemisphere a formula on how to lose freedom. Whichever way one looks at communism, at bottom its fundamental doctrine is revealed: That the only way a community can progress is to surrender its freedom to a dictatorship of self-styled pundits—the so-called leadership of the proletariat—who arrogate to themselves the final wisdom about the laws of mankind's development. Dictatorship is the heart of the Communist matter; but Latin America already knows more about freedom and how to acquire it than does Soviet Russia."

Senators JOHN J. SPARKMAN, Democrat, of Alabama, JOHN F. KENNEDY, Democrat, of Massachusetts, BOURKE B. HICKENLOOPER, Republican, of Iowa, GEORGE D. AIKEN, Republican, Vermont, and HOMER E. CAPEHART, Republican, of Indiana, will presumably accompany Senator MORSE when he returns to Mexico in the fall to conduct subcommittee inquiries.

In his first major Latin-American speech off the Senate floor since the subcommittee initiated the inter-American study, the chairman demonstrated keen insight about Mexican viewpoints. "The words of Senator MORSE speak eloquently of his profound democratic character," said a newspaper.

#### EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business and take up the nominations on the Executive Calendar.

The motion was agreed to, and the Senate proceeded to consider executive business.

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORT OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. CHAVEZ, from the Committee on Public Works:

Brooks Hays, of Arkansas, to be a member of the Board of Directors of the Tennessee Valley Authority.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### NEW REPORTS

The legislative clerk read the nomination of Lt. Gen. Emmett O'Donnell, Jr., U.S. Air Force, to be assigned to posi-

tions of importance and responsibility designated by the President, in the rank of general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### APPOINTMENTS IN THE REGULAR ARMY

The legislative clerk proceeded to read sundry nominations for appointments in the Regular Army.

Mr. JOHNSON of Texas. Mr. President, I ask that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

#### TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

The legislative clerk read the nomination of Col. Jonathan Owen Seaman, U.S. Army, to be brigadier general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### FAVORABLY REPORTED NOMINATIONS PLACED ON THE VICE PRESIDENT'S DESK

The LEGISLATIVE CLERK. Routine nominations in the Regular Army and in the Air Force, placed on the Vice President's desk.

Mr. JOHNSON of Texas. I ask that they be considered en bloc.

The VICE PRESIDENT. Without objection, they will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. I ask that the President be immediately notified of the nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

#### LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM

The VICE PRESIDENT. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The legislative clerk read as follows:  
IN THE HOUSE OF REPRESENTATIVES, U.S.,

June 18, 1959.

*Resolved*, That the House disagree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) entitled "An act to strengthen the wheat marketing quota and price support program";

That the House insist upon its amendment to said bill and ask a further conference with the Senate on the disagreeing votes of the two Houses thereon.



Ordered, That Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. ALBERT, Mr. HOEVEN, Mr. DAGUE, and Mr. BELCHER be managers of the conference on the part of the House.

Mr. ELLENDER. Mr. President—  
The VICE PRESIDENT. The Senator from Louisiana.

Mr. JOHNSON of Texas. Mr. President, may we leave that matter at the desk momentarily, please? I wish to talk to the chairman of the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

## THE NATIONAL DEBT AND INTEREST RATES

Mr. BUSH. Mr. President, of interest these days, especially to the Senate, which will shortly consider the question of the debt ceiling and the removal of the ceiling on interest rates, is an editorial from the Washington Post and Times Herald of June 22, 1959, in which it is pointed out that the removal of the interest rate ceiling, while not being a cure-all for the Treasury's difficulties, certainly provides an essential ingredient for the removal of its difficulties.

I also have an article from the New York Times, written by Arthur Krock. I also hold in my hand an editorial from the Hartford Courant.

I also have another editorial from the Hartford Courant entitled "Has the National Debt Ceiling Failed."

Because of the current interest in these problems, and because these articles and editorials are informative, I ask unanimous consent that they may be printed in the RECORD following these remarks.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, June 22, 1959]

### NOW FOR INTEREST RATES

Now that the House has approved the necessary increase in the limit on the debt, it ought to get down to business on the other half of the President's recent financial proposal: The elimination of the interest rate ceiling on Treasury bonds. There are two aspects of this matter which seem not to be very widely or thoroughly understood at the Capitol and to which the House Banking Committee may wish to direct its particular attention.

First of all, the notion ought to be dispelled that the removal of the interest ceiling automatically would mean that interest rates would go up. It is probable that an immediate offering of bonds would command rates higher than now allowed—but what is important is that the Treasury be taken out from under the ceiling so that it can plan its financing and refinancing with greater flexibility. The presence of the ceiling tends to put upward pressure on short-term offerings, and its removal might lower interest rates on such obligations.

In the second place, there is need to scotch the argument that the Treasury can (and just as well might) limp along with short-term refinancing of outstanding short-term debt, on which the ceiling does not apply. The average maturity of the Federal debt has shortened materially in recent years, contributing to the rising interest

burden in the budget. If this trend is to be effectively combatted, the Treasury must be free to float bonds in place of short-term paper whenever an opening in the market presents itself. The fact that the opening is not now readily apparent does not mean that when the present groundswell of recovery investment levels off such opportunities will not be there. As we have said before, removal of the interest ceiling would be no cure all for the Treasury's difficulties—but it is an essential ingredient.

[From the New York Times, June 19, 1959]

### THE SEARCH FOR A THIRD HORN OF A DILEMMA (By Arthur Krock)

WASHINGTON, June 18.—The effort, instituted and largely manned by Senate Democrats, to dodge the hard choice presented by the administration's request for authority to raise interest rates on Government borrowings, is a current instance of the willingness of many politicians to face difficult facts. The hard choice in this dilemma is between inflation and acceptance of the inexorable economic law that the price of money rises in boom times.

In trying to find a third horn to hang fiscal policy on, the arguments obscure the fact that, in common with all dilemmas, this situation has only two. But that has not ended a Democratic attempt to pass an economic miracle by finding another horn. And the following are examples of the incantations by which the magical event is being summoned to appear:

(A) The United States is experiencing only an "administered price," not a "monetary," inflation. Therefore, if the Federal Reserve Board will support the Government bond market, and thus remove the need for a rise in interest rates, the amount of money it will have to print to do this will not be inflationary in the fundamentally perilous category.

(B) But, even if the effect of this printing of additional money by the Fed will move the economy in the direction of monetary inflation, the effect will not appear for several years.

### A LAISSEZ-FAIRE COMBINATION

(That is a combination of the laissez-faire philosophies of Louis XV and Mrs. Squeers, the headmistress of Dotheboys Hall in "Nicholas Nickleby." Louis' was "After me the deluge." Mrs. Squeers, relates Dickens, "frequently remarked that, if she had made some \* \* \* mistake, it would all be the same 100 years from now, with which axiom of philosophy she was in the constant habit of reminding the boys \* \* \* when they labored under some more than ordinary ill usage.")

In contrast to these arguments, based on hope doomed in advance by fiscal history or on the practice of postponing hard decisions regardless of later consequences, are statements which have been publicly made by Secretary of the Treasury Anderson. One was to a House committee, friendly because Chairman MILLS and most of his fellow-Democrats in that group are facing up to the choices imposed by the increased interest proposal.

The Senate Democrats who would deny this administration request contend that repeal of the present ceiling will effect a general rise in interest rates. The Secretary, in challenging this, estimated that removal of the limitation would work in the opposite direction because:

1. The Treasury did not set the rates; it sells its securities at the lowest possible rates in a competitive market established by the demand for and supply of funds. These rates reflect the actions of lenders and borrowers of every character throughout the country.

### AN INEVITABLE CONSEQUENCE

2. Their expectations of inflation tend to cause higher, not lower, interest rates. These expectations would be the inevitable consequence of the heavy Treasury borrowings in short-term securities it will be compelled to seek by the continued existence of the ceiling. That is because bond buyers are sure to try to compensate for the prospective lower value of the dollar by requiring higher rates of return.

3. The Treasury could live with the 4½ percent interest rate ceiling on bonds by selling them at a discount, thereby giving the buyer a higher yield. But it prefers the direct approach instead of this circumvention, which, after all, could postpone only briefly the day of reckoning.

4. Holding interest rates to artificially low levels cannot succeed unless demand and supply forces are adjusted to these levels. This would require "direct Government intervention in credit markets and a consequent abridgment of economic freedom." And "high interest rates are not an end in themselves \* \* \* they are the usual accompaniment of the active credit demands that characterize expansion in production, employment and income."

This factual description of the unavoidable alternatives—a lift in the interest-rate ceiling, or monetary expansion that will stimulate the pressures of inflation—now seems to be gaining acceptance in Congress.

[From the Hartford Courant, June 16, 1959]

### THE IMMORALITY OF INFLATION

It is one of the paradoxes of today's complex world that inflation is arousing a crescendo of national concern just as the cost-of-living index is registering a rare degree of stability. The paradox, however, is more apparent than real. For that index contains built-in defects that even the Bureau of Labor Statistics, inventor of the index, recognizes and is trying to eliminate. Secondly, the major threats of inflation at the moment are more potential than actual. Over the coming months and years—as, indeed, ever since World War II—inflation looms as the greatest single danger to the Nation's economic security, and to the welfare of its citizens.

Hence today's running debate about budgets and taxes, interest rates, and the dollar. In this process much financial, economic, and statistical doubletalk is being unloosed. Many a layman, owning no Phi Beta Kappa key in economics, feels incompetent to pass judgment on such technical matters, particularly when supposed experts disagree violently. Yet in truth inflation is an issue on which any citizen has the right to speak his mind, and be heard. For all its economic complications, this is basically a moral problem. And the people of the United States ought to demand that it be met, and conquered, on that basis.

Fortunately, the immorality of letting prices and living costs spiral ever upward, to the detriment of the thrifty and the self-reliant, is beginning to attract increasing attention. President Eisenhower, to his credit, is hammering the lesson home at every opportunity. Speaking recently to a session of the American Medical Association, he drew a parallel between an individual's physical health and the Nation's economic well-being, between a balanced diet and a balanced budget. More pointedly, he told a conference of business editors in simple, down-to-earth language how inflation had eroded the value of an insurance policy he had taken out, as a young Army lieutenant, in 1916. The threat, he stressed, is just as real in 1959:

"Today think of the man at the lathe, the drill press, who is earning money which he is



putting away in his pension with his company or into an insurance policy. If we cannot today assure him that 40 years from now he is going to be able to have a living left, then I say, sooner or later, he will quit buying insurance policies, he will not have any confidence in a Government bond, and he will not think much of his pension."

In its June economic review, the Federal Reserve Bank of New York took equally emphatic issue with the delusion of cheap money. Challenging those who would let prices inch up by 2 percent or 3 percent a year, the bank thundered that "this is by no means a relatively costless or harmless way of relieving tensions." Instead, it noted, the consequences would include much higher interest rates, distortion, and eventual impairment of saving and investment, wider cyclical fluctuation, and a stunting of growth. The final outcome, said the New York Fed, would be economic stagnation and deterioration of the Nation's moral character.

It is just such terms that the challenge should be measured. Inflation, after all, is largely the work of selfish pressure groups who rate their own immediate gain above the public interest. And if everyone is in some degree the victim, those who are hurt worst are the old and the ill, who must somehow get by on a fixed number of dollars every year. These forgotten people—self-reliant, frugal men and women—represent far better than do the inflationists the true spirit of America. To keep faith with them, and with those who will be in comparable straits tomorrow, every American should enlist in the fight against that great corrupter, inflation.

[From the Hartford Courant, June 17, 1959]

#### HAS THE NATIONAL DEBT CEILING FAILED?

The ceiling on the national debt has caused the Treasury to run into trouble when seeking money to operate the Government. One way to deal with the problem is to raise the debt limit. In the past 18 years the limit has exploded upward from \$65 billion to \$228 billion. The present temporary limit will go back to \$283 billion on June 30, when the actual level of debt is expected to be \$285 billion. Action by Congress is needed to put through administration requests for an increase. The rigidity of the debt ceiling has forced the Government to use subterfuges to avoid it, under pressure of its need for money to finance programs authorized by Congress. One example is having Federal agencies sell securities direct to financial institutions, instead of borrowing from the Treasury. Other examples are given in the report of a study of the debt limit by the Brookings Institution.

The legal limit on borrowing is accepted as part of our Government because it implies that restraint is being exercised on spending. But its history goes back only to 1917, when the Second Liberty Loan Act was passed. Marshall A. Robinson, who wrote the Brookings study report, says that it has failed as a device for controlling Government spending. It has been unable to prevent deficits and the long-run growth of debt, has hampered proper debt management, and increased the cost of financing the Government.

In place of it he proposes that, as debt increases, the ceiling be raised. Such a flexible ceiling always leaves room for the Treasury to borrow. If this sounds like no ceiling at all, it is because Mr. Robinson would have Congress take full responsibility for having a complete picture of the fiscal situation in mind before authorizing funds. At present Congress seems to spend at random, trusting to the ceiling to protect it, and is sometimes surprised at the magnitude of the total it has voted. With a flexible system, it would

be forced to be more careful. That is the theory. Whether it would work out that way if the ceiling were abolished is questionable.

Supporters of the ceiling hold that it does control spending, and prevents growth of the debt. They consider the debt too high, a source of inflation and a threat to national solvency. But the Brookings study rates the debt limit as a failure, since it has not in fact done what it was designed for. Between now and June 30, when the present limit expires, would be a good time to ask ourselves whether there is a better way to keep the national debt under control.

#### MOTOR FUEL TAX INCREASE NEEDED TO PREVENT INCREASED COSTS, DELAY ON INTERSTATE SYSTEM

Mr. NEUBERGER. Mr. President, I frequently disagree with President Eisenhower on specific issues. Only last Thursday night I voted in opposition to his selection as Secretary of Commerce.

But, Mr. President, I think that President Eisenhower is eminently correct in the recommendation which he sent to Congress yesterday urging us to increase temporarily the Federal motor fuels tax from 3 to 4½ cents per gallon. As a member of the Roads and Highways Subcommittee of the Senate Public Works Committee, I intend to support the President's advocacy as effectively as I can.

Our 41,000-mile Interstate Highway program cannot be abandoned. It has gone too far for that. The Federal Government is putting up to 90 percent of the total cost of this \$39.5 billion program. We have several choices as to financing the program. They are these:

First. We can keep the highway trust fund solvent by increasing the Federal motor fuels tax as recommended.

Second. We can resort to deficit financing, which will require huge expenditures in interest rates just for carrying charges on this debt alone.

Third. We can curtail the construction of these needed roads.

Given such alternatives, I choose the first alternative without hesitation.

Mr. President, last week Oregon's highway engineer, W. C. Williams, reported that my State's funds for Interstate Highway System projects will be exhausted by September or October. This means that bid openings may be postponed and the rate of letting contracts decreased. A similar situation exists in many other States. Failure of Congress to act will mean a compounding of costs and delay.

Mr. President, I ask unanimous consent that there appear in the RECORD at this point a story from the New York Times of June 21, 1959, headlined "White House Bids Congress Speed Rise in Gas Tax," together with an Associated Press dispatch which appeared in the Pendleton East Oregonian of June 16, 1959, and describes Oregon's stake in maintenance of the Interstate Highway System program on schedule.

There being no objection, the news articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 21, 1959]  
WHITE HOUSE BIDS CONGRESS SPEED RISE IN GAS TAX—WARNS THAT U.S. ROAD FUNDS CANNOT BE ALLOCATED TO STATES WITHOUT ACTION

(By Richard E. Mooney)

WASHINGTON, June 20.—The White House applied new pressure on Congress today for action of the President's request for a gasoline-tax increase.

James C. Hagerty, Presidential press secretary, announced that "as matters now stand" there would be no apportionment of Federal highway construction aid to the States at the normal time this summer.

In a few days, he said, President Eisenhower will receive and make public a report on what this will mean to each of the 49 States.

Asked whether the President would submit the State-by-State report to Congress as a special message, Mr. Hagerty smiled and said:

"I would think every State and motorist in the country would send a special message to Congress."

#### WOULD HAMPER PLANNING

Failure of the Federal Government to apportion highway aid at the normal time—July—would not mean the halting of construction, but it would cut into advance planning work.

The procedure has been for the Federal Government to apportion aid each July for the fiscal year starting a year later. When the aid is apportioned, a State may proceed to place contracts. The actual money is distributed later, when bills are presented.

The total apportionment this July would be \$2,500 million. However, there is a provision in the Federal Highway Act that bars apportionment unless there will be enough money to pay the bills at the time they fall due.

#### PRESIDENT SEEKS RISE

The money comes from a special trust fund, which is funded from tax collections on gasoline, diesel fuel, tires and inner tubes, and trucks and buses. The fund was set up to finance the 41,000-mile Interstate Highway System, for which the Federal Government pays 90 percent of cost, and the regular Federal-aid highway program, for which the Federal share is 50 percent.

The fund is running down now, and will touch bottom some time in the year following July 1, 1960, unless something is done about it.

President Eisenhower's proposal to raise the gasoline tax from 3 cents to 4½ cents a gallon for 5 years has had a cold reception on Capitol Hill.

Administration officials have conceded that they do not expect Congress to pass that proposal, but they have not come up with any alternatives.

In a special message on May 13, the President urged fast action on the tax increase. He knocked down most of the alternate plans that had been aired—borrowing with a special bond issue, removing the requirement that the trust fund stay on a pay-as-you-go basis, or using other tax collections to finance the program.

Eight days later, the House Public Works Committee approved a bill that would suspend for 2 years the prohibition on apportionment when the trust fund's resources were inadequate. It asked the Ways and Means Committee to decide whether the fund should be augmented during this period by earmarking other tax receipts, such as the excise tax on autos, or simply from general tax receipts.

Mr. Hagerty said that the President was "deeply disturbed about the lack of action on this important program."



was impracticable in view of the opposition of the U.S. Chamber of Commerce and the administration, and so advised the civic and business groups in Chicago which were pushing for such a program.

But I did believe in an adequate program spread out over such a period of years, that long-range plans could be formulated and carried out. I, therefore, felt that the bill which passed the Senate for a 6-year program at the rate of \$350 to \$500 million a year was constructive, and I had thought that a final agreement could be reached with the House on a program intermediate between this amount and the 3-year program at \$500 million a year enacted by the House.

I was, therefore, both surprised and dejected when, by a 5 to 4 vote of vote of three Republicans plus two Democrats, the program was cut down to a lower total figure than that enacted by either House, namely, \$500 million for the first of 2 years and \$400 million for the second. This may be within the letter of the law so far as the powers of the conference committee are concerned, but I agree that it is contrary to its spirit. Along with three other members, I voted against this proviso and felt that I could not conscientiously sign the report.

The superhighways which are being constructed all over the country will displace tens of thousands of families each year. Urban renewal and slum clearance by their very definition will displace still more. A very large proportion of those who are thus displaced will, because of their low incomes or race, be unable to obtain even minimum accommodations. Public housing is needed to help take care of this group. The program passed by the Senate of somewhere between 35,000 and 50,000 units was, in itself, inadequate. The House bill provided a 4-year program of 35,000 units a year up to the remaining 140,000 or 170,000 of the unutilized number authorized in 1949. This was modest enough.

I had hoped, although I felt bound to make a decent struggle for the Senate provision, that we might get a more liberal provision on public housing than the Senate provision, since with regard to urban renewal we obtained something which was less liberal than either of the two measures, but this did not happen. What was authorized instead was a provision for 35,000 plus 10,000 units for the first year, and then for the President to be given discretion as to whether 35,000 units would be built in subsequent years. We know perfectly well, from the policy of the Eisenhower administration, the President will not authorize 35,000 units after July 1, 1960.

I felt very disappointed with the measure and, as I have said, I felt that I could not conscientiously put my name to the conference report.

I think I understand the motives of those on our side of the aisle who agreed to the conference report, and I wish to do them full justice. They will say, "If we put in anything more than this we are certain that the bill will be vetoed. We therefore took all we could get."

I personally think this is a mistake. I feel there should be some separation of functions as between the executive and legislative branches of the Government. I think it is our duty to legislate as we think best for the good of the country. Then, if the President disagrees with our action, he can follow his conscience and veto the measure. Then we can try to pass the bill over the Presidential veto. If we are successful, the bill will become law. If we fail then we can try another course and reach a compromise later. But I do not believe we should reach the compromise the first shot out of the box. I think what this does is to make the President a part of the legislative process; and this, I believe, is improper.

Furthermore, this fails to present the public with a clear set of alternatives. The public does not quite know what are the issues. We have a homogenized system of policies in which there is little, if any, differentiation between the policies of the parties.

Last week, in another field, we had an example of the need for each branch to use its independence to the degree that it is swayed by its conscience, in connection with important appointments by the Executive. The President felt he should appoint Mr. Strauss as Secretary of Commerce. There were some who said, "We should accept the dictation of the President and acquiesce." I think this course would have been a mistake. We had to use our judgment, based on our consciences. The Members of the Senate did use their consciences, and by a majority vote the nomination of Mr. Strauss was rejected. This was proper action on our part. The President acted according to his lights, and we acted according to our lights, and the issue was settled under the provisions of the Constitution.

In a similar fashion, we should work on legislation and let the compromise come at the end of the road rather than at the beginning of the road. I mention this primarily for the sake of the country and only incidentally for the sake of my party.

Mr. President, I agree with the Senator from Pennsylvania that if this policy is to be carried out with regard to all the various bills which come before us we will not have much of a record of achievement and it will be very difficult, if not impossible, to differentiate between the parties.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a quorum call, at the conclusion of which there be 30 minutes remaining on the conference report, to be equally divided between the majority leader and the minority leader.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I give notice that at the conclusion of consideration of the conference report on the housing bill, we expect to have a yea-and-nay vote, and then take up the message from the House of Representatives on the wheat bill.

Mr. President—

The PRESIDING OFFICER. The Senator from Texas.

#### STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—LIMITATION OF DEBATE ON MESSAGE FROM THE HOUSE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, in connection with the consideration of the message from the House of Representatives on the bill (S. 1968) to strengthen the wheat marketing quota and price support program, debate be limited to 1 hour, to be equally divided between the majority leader and the minority leader. I have talked with the chairman of the committee, and the ranking minority member, and that arrangement is agreeable to them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

#### HOUSING ACT OF 1959— CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I yield 10 minutes to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I have no quarrel with the way any Senator votes on this issue. I shall take about 10 minutes, and I hope that in the 10 minutes I can be as factual and fair as possible. I shall try to explain the situation in respect to the conference report on the housing bill.

The question now before the Senate is not on the passage of a bill. The question is on agreeing to the conference report.

First, there was absolutely no politics played in the Senate Banking and Currency Committee in the consideration of this proposed legislation. There was no politics played among the conferees. I did not discuss the subject in advance with the able Senator from Alabama [Mr. SPARKMAN], nor with anyone else.

The conference which we held was one of the most cooperative I have attended in the 15 years I have been a Member of the Senate. I have helped to handle 15 housing bills. I have been in at least 12 conferences in respect to housing.



There was no politics played, regardless of what anyone may say to the contrary. I received no instructions from anyone, and, so far as I know, no member of the committee received any instructions. No parties were involved. No one paid any attention to whether a certain Senator came from a State where there were two Senators from the same party or from a so-called one-party State. That was furthest from our thoughts.

I first became a member of the Senate Committee on Banking and Currency when the late Senator from Ohio, Mr. Taft, was a member. I followed Mr. Taft back in 1949, in respect to public housing. He was a great advocate of public housing, as were the Senator from Louisiana [Mr. ELLENDER], and the late Senator Wagner from New York. The public housing legislation was called the Ellender-Taft-Wagner bill. That bill called for 810,000 units. Today we are arguing about 35,000.

I never was particularly in favor of public housing. It is not especially needed in my State. I am not for it today, but we established a principle 10 years ago, when the Senate passed a bill calling for 810,000 units. Its author and principal advocate was Senator Taft.

The first year President Eisenhower was in office he appointed a committee of outstanding men who studied urban renewal for a year. They came forward with a great report. President Eisenhower and the Republican Party advocated urban renewal in a big way.

So we have a situation in which President Eisenhower is really the author of urban renewal. Senator Taft and other able Senators were the authors of public housing legislation. So we have public housing and urban renewal.

I have no quarrel with the way any Senator votes. The entire housing bill seems to be based upon emotions rather than facts. I have heard all kinds of figures as to what the cost of public housing would be. Under the 1949 law the President may spend in one year no more than \$336 million, regardless of how many public housing units Congress may authorize. Not more than \$336 million can be spent in any one year. The conferees agreed on 35,000 units for next year, and the carryover is 10,000.

Then we say to the President, "If you think, in the best interest of the United States, you want to build up to 35,000 units a year, you may do so." There again he cannot go over \$336 million. That is public housing. Personally I am not for it. I do not believe we have the right answers to it. On the other hand, I will not quarrel with the large cities, like New York and Detroit and Cleveland and Chicago, because they do have a serious problem. We do not have anything like it in Indiana.

I have talked about urban renewal. President Eisenhower advocated it. The problem involves a number of things. The President asked for \$1,550 million. I introduced the bill. I was the author of the bill. The conferees gave him \$900 million. He asked for \$1,550 million. We have said, however, that he

can spend \$900 million in 2 years. He asked for a billion and a half dollars to be spent over a period of 6 years. The whole matter is academic. This is only an authorization. It might not be necessary to spend any of the money. The President might not spend a nickel of it, unless the urban renewal projects justify it, and the money cannot be spent unless the projects have been processed and filed. No man can sit down and estimate how much the bill will cost the Treasury or the Government in the next year, because no one knows how many public houses will be built.

The conference committee gave \$900 million to the President to spend on urban renewal during the next 2 years. He asked for \$1,550 million over a period of 6 years.

I have spoken about urban renewal and about public housing.

There are other features of the bill. I for one believe that in the housing bill we ought to stick 100 percent to housing. We did not do that. We got away from it many years ago. I do not quarrel with it. Neither can any other Senator quarrel with it, because we are all part and parcel of it. We have included college housing and classrooms in the bill. We have included housing for elderly people. I do not see how anyone can quarrel with furnishing some houses for our elderly people. That amounts to only \$50 million.

We have had college housing for a number of years, and we have cut it down from \$300 million to \$200 million. That is all we could cut it, because under the rules of the conference committee we could not cut it any more.

We have also included some money for classrooms. I know that there is a shortage of classrooms in our colleges. I do not know whether what is proposed is the best way to go about improving the situation, but, at least, this is one way of doing it. If anyone knows of a better way, let him offer an amendment or introduce a bill.

Now we come to FNMA special assistance of \$37½ million. I was opposed to that. I certainly would eliminate it if I could, but I am only 1 of 98 Senators, and I am willing to go along on this matter.

Let me give the Senate some more facts. The best estimate—and it is only an estimate, because no one knows how much of this housing is going to be built and how much will be needed to be built—the best estimate, notwithstanding what we have been told, outside of public housing, which was limited in 1949 to \$336 million a year, of the effect of the bill we are considering on the 1960 budget is \$28½ million. In the bill I introduced, the amount was about \$5 million. Therefore this is \$23 million more than the President asked for.

The authorization is about \$400 million less. However, it is a fact that the urban renewal authorization is only for 2 years, not 6 years. As we know, Congress will be here 2 and 3 and 4 and 5 years from now. The whole matter gets down to six of one and a half dozen of the other. No one can sit down and figure out what the costs are going to be.

The PRESIDING OFFICER (Mr. HART in the chair). The time of the Senator has expired.

Mr. CAPEHART. Will the Senator yield me 2 more minutes?

Mr. DIRKSEN. I yield 2 additional minutes to the Senator from Indiana.

Mr. CAPEHART. I wish to call attention to three other expenditures the Senate, or the Congress, is making. We are about to appropriate or spend \$4 billion for so-called foreign aid. I am not opposed to it in principle, but I think the amount is perhaps a little too high. Then the Senate voted, I believe unanimously, to increase our contribution to the International Bank by almost \$4 billion. Moreover, we voted about \$4 billion to support farm prices under a farm program which we know will not work. It does not help the farmers. I am not opposed to any of these programs except the farm program. That ought to be stopped. We ought to reduce expenditures by every nickel we can. We ought to eliminate every expenditure which is not necessary. However, we must still keep the country going. We must still appropriate enough money for housing and other things to keep the economy going. We could not drop these things. Therefore, I am going to vote for the conference report.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement which I have prepared on this whole matter; and a speech delivered by Dr. Raymond J. Saulnier, Chairman of the President's Council of Economic Advisers, on the 25th anniversary of FHA.

There being no objection, the statement and speech were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR CAPEHART

I rise to speak in behalf of the conference report on the housing bill which I feel represents a fair and equitable compromise of the housing bills previously passed by the Senate and House of Representatives.

First, let me say this: I believe it is the duty of every Member of Congress to do his utmost to pass legislation which can honestly be considered beneficial to the country.

I do not believe any other consideration should be made a part of our efforts.

It is natural, that certain types of legislation will contain features which some of us do not favor.

Certainly the housing bill is of that type. There are provisions in the conference bill which I do not favor.

But there are other provisions which I do favor.

As sponsor of the so-called administration housing bill, it was my duty to direct my efforts toward meeting—as nearly as possible—the desires of the administration.

As leader of the minority Senators on the conference committee it was again my duty to try for the fairest compromise possible between the bills as passed by the Senate and the House.

I confidently believe that I performed those duties to the best of my ability and for that reason I signed the conference report.

I am equally confident the administration can accept the conference bill if it is approved by the Senate and the House.

Let me review some of the items in the conference bill which have been—and I am sure will continue to be—subject to misunderstanding on the part of both opponents



ings. They are, or should be, occasions also for looking forward and for counting our new opportunities.

Can there be any question but that the next 25 years will be just as exciting and fully as challenging as the 25 years through which FHA has just passed? They will be different, certainly, and we hope they will be better. Barring the international calamities which we will strive by every means to avoid, we know that in these coming years our home-financing system must help provide a great deal more, and we hope even better, housing for the American people. Compared to the 50 million increase in population of the last 25 years, in the next quarter century our population may increase by something between 65 and 115 million. No one can translate this expected population growth into housing demand with precision. But the number of households may increase half again as much as in the last quarter century. Is it not reasonable to expect housing demand to rise in roughly the same, possibly even a higher, proportion?

To meet this challenge will be no easy task. But the accomplishments of the last 25 years, performed as they were in the face of great difficulties, are so impressive as to provide reasonable assurance that we can do at least as well in the future. In any case, building the houses will be the least difficult part of the job. The real challenge of the next 25 years will be to meet our housing requirements in ways that leave our free institutions not just intact at the end of the period, but stronger and more vigorous even than they are today.

v

Can we successfully meet this challenge? I believe we can, and much of my confidence is based on the fact that we know very well the conditions necessary for success.

First, we know that we must keep our economy on a reasonably even keel. Like all insurance systems, a system of credit insurance is based on the assumption that the conditions affecting the risks it insures can be successfully anticipated. A mortgage insurance system implies a prospect of continuing employment opportunities, and a continuing flow of income to individuals and families undertaking the purchase of homes on credit.

It is a measure of the optimism of our country that the concept of installment credit has been applied to the purchase of homes through payments spread over a period of 20 to 30 years; and that FHA, as a Federal instrument for facilitating such purchases, was launched in the depth of the Nation's gravest economic depression. Yet this optimism has been amply justified. Over the 25 years of FHA's history the American economy has grown at a vigorous rate. We have had ups and downs since 1934, to be sure, but economic fluctuations have been kept within rather narrow limits, and FHA has weathered them remarkably well. We cannot expect to eliminate economic fluctuations entirely in a free society, but we can expect to narrow their range and to improve our performance as we go along. This is the constructive meaning of the Employment Act of 1946, which it is my privilege to help administer. Clearly, the degree of our success in helping to promote orderly and sustainable economic growth will have a decisive bearing on the degree to which, in the next 25 years, we realize the continuing benefits we can properly expect from the FHA idea.

Second, while we are aware of the benefits obtainable through the use of credit, including the use of credit to finance homeownership and improvement, we also know that there are limits to its safe use. Our installment credit systems, whether protected by Federal insurance or not, make it possible for individuals to achieve significant im-

provements in welfare by purchasing useful things costing several times their incomes. Indeed, historians will someday look upon our action as having introduced the novel idea that an economy can provide its own expanding markets by dedicating itself, not just to the interests of a small class, but to raising the levels of living of the people at large; that this system of mass distribution is an essential complement to mass production; and that the wise use of credit plays a constructive role in this accomplishment.

There will be many temptations in the future to push toward greater liberality of housing credit terms, but we know that the success of FHA in the next 25 years will depend in no small part on its continued adherence to sound construction standards, appraisal procedures, and underwriting principles.

Finally, we know that if FHA is to serve us as well in the future as in the past we must preserve its inherent adaptability. Especially, it is essential that its programs continue to operate on realistic interest rate bases. Only under these conditions will an adequate supply of funds flow directly from private institutions into private use—in part under the protection of Federal insurance, to be sure, but without making a detour through the Federal Treasury. A large measure of FHA's success is due to the fact that its insurance has been available for loans which could carry realistic interest rates. Indeed, if this had not been the case, private financing under FHA insurance would long ago have ceased to be available, and we would not be here tonight.

*Proposed housing legislation—Comparative summary of new obligational authority and estimated expenditures for fiscal year 1960*

[In millions]

	New obligational authority				Estimated expenditure, fiscal year 1960			
	Administration (S. 65 and 612)	Senate (S. 57)	House (S. 57)	Conference (S. 57)	Administration (S. 65 and 612)	Senate (S. 57)	House (S. 57)	Conference (S. 57)
Grants:								
Urban renewal.....	<sup>1</sup> \$1,550	\$2,100.0	<sup>2</sup> \$1,500.0	<sup>3</sup> \$900.0				
Urban planning (701).....	10	10.0	10.0	10.0	\$1.0	\$1.1	\$1.1	\$1.1
Scholarship.....		1.5		.3		.5		.1
Defense hospital.....		15.0	15.0	15.0		2.5	2.5	2.5
Farm housing research.....		.2	.1	.1				
Loans:								
Elderly housing direct loans.....			100.0	50.0			5.0	2.5
Urban renewal advances.....					3.6	8.0	8.5	8.5
Public housing advances.....						5.0	5.0	5.0
College housing loans.....	200	300.0	400.0	300.0				
College classroom loans.....		125.0		62.5		5.0		2.5
Mortgage purchases:								
FNMA special assistance for cooperative housing.....			75.0	37.5			12.5	6.3
Total.....	1,760	2,551.7	2,100.1	1,375.4	4.6	22.1	34.6	28.5

<sup>1</sup> Authorizations for a 6-year period.

<sup>2</sup> Appropriations in 2 fiscal years.

<sup>3</sup> Authorizations for a 2-year period.

Table prepared by staff of Senate Housing Subcommittee.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. WILLIAMS of New Jersey. I wish to commend the Senator from Indiana for the position he has taken on the conference report, even though the conference report is not all that he wanted it to be. I feel the same way about it. The conference report is not all I wanted it to be. We are dealing with different sections. I had hoped it would contain a much longer range program so far as urban renewal is concerned, among other things. Notwithstanding the fact that it does not I was very happy to join in the report and shall support it on the floor.

vi

Given these conditions—a soundly growing economy, the prudent use of credit, and realistic interest rates—and the continued service of those in public and private life who strive daily to make the FHA idea work, we can be confident of successfully meeting the housing challenges of the next 25 years.

As we look toward the future, let me conclude with a final expression of appreciation for the record of the past. To those who helped invent the FHA idea; to the Members of Congress who helped write it into legislation; to the national leaders who maintained its vigor and integrity over the years; to the Commissioners of FHA, past and present, for their constructive stewardship; to the members of FHA across the country for their devoted service; and to you, Mr. President, for your own inspiring support of the FHA idea, we here tonight and millions of our fellow citizens join in salute and in thanks for a job well done.

Thank you very much.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement showing a comparative summary of new obligational authority and estimated expenditures for fiscal 1960 under proposed housing legislation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

I hope the President will accept the sound counsel of the Senator from Indiana and not of the Housing Administrator, who attacked the conference report today, as I understand, on the yardarm of political expediency. We know it is not that. We know it is a measure which can be freely supported. It contains an FHA provision, and also authorization for housing for elderly people and college housing. It also contains a program for urban renewal, even though that program is not all I should like to see so far as urban renewal is concerned.

Mr. CAPEHART. It is not exactly the way I would write the bill. I would cut



some things out and add others. It is a good compromise, everything considered.

Mr. WILLIAMS of New Jersey. I agreed with the Senator from Indiana.

Mr. CAPEHART. The President would be justified in signing it. The Senate would be justified in agreeing to the conference report.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes. I find myself, obviously, in opposition to the conference report. Our distinguished friend a moment ago said that this bill is not what he had hoped it would be. It seems to me it is more than anyone ever hoped it would be, and it probably contains all the objectionable features in both the House and Senate versions of the bill.

Housing has come to be a term which covers a multitude of sins. We have public housing. Now we have a provision for college classrooms, \$62,500,000. Even scholarships are provided for in the bill. That is something which will teach the recipients how to spend money better and faster, I suppose. Three hundred thousand dollars is provided for scholarships for training. It is amazing how the term "housing" has been expanded since the first Federal housing program was established, way back in 1935, I believe. That was my first contact with it. Now it exceeds almost every finite dimension a person can think of.

For public housing, the President did not ask for additional units. The report authorizes an additional 190,000, 45,000 of them to be available at once, and then 35,000 a year. If we spell it out, that involves a commitment of \$3,700 million for a period of 4 years.

Goodness, would it not be wonderful to have our great-great-grandchildren around to see the kick we are getting out of spending the money they are going to pay back? I am not going to put that burden on the people. In urban renewal, it is indicated that a cut was made. The point is that the cut was made in the time when the appropriations will take effect. The President asked for \$100 million in 1959, and \$250 million in 1960. The report provides \$900 million in place of that. That does not sound like economy to me.

Frankly, I could ventilate my views at length on the report, but I am simply content to say that I think it is a measure which is lacking in many things and, in my book, should be rejected.

Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time. Does the Senator from Illinois desire the yeas and nays?

Mr. DIRKSEN. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Maine [Mr. MUSKIE], and the Senator from West Virginia [Mr. RANDOLPH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Massachusetts [Mr. KENNEDY] would each vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from West Virginia [Mr. RANDOLPH]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from West Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Kentucky [Mr. COOPER], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from Kentucky would vote "yea."

The result was announced—yeas 56, nays 31, as follows:

## YEAS—56

Allott	Gruening	McNamara
Anderson	Hart	Magnuson
Bartlett	Hartke	Mansfield
Bible	Hayden	Mohroney
Byrd, W. Va.	Hennings	Morse
Cannon	Hill	Moss
Capehart	Humphrey	Murray
Carroll	Jackson	Neuberger
Case, N.J.	Javits	Pastore
Chavez	Johnson, Tex.	Proxmire
Church	Johnston, S.C.	Scott
Clark	Jordan	Smathers
Dodd	Keating	Smith
Douglas	Kefauver	Sparkman
Ellender	Kerr	Symington
Engle	Langer	Williams, N.J.
Ervin	Long	Yarborough
Frear	McCarthy	Young, Ohio
Green	McGee	

## NAYS—31

Aiken	Eastland	Russell
Beall	Hickenlooper	Saltonstall
Bennett	Holland	Schoeppel
Bush	Hruska	Stennis
Butler	Kuchel	Talmadge
Carlson	Lausche	Thurmond
Case, S. Dak.	Martin	Wiley
Cotton	Morton	Williams, Del.
Curtis	Mundt	Young, N. Dak.
Dirksen	Prouty	
Dworshak	Robertson	

## NOT VOTING—11

Bridges	Goldwater	Muskie
Byrd, Va.	Gore	O'Mahoney
Cooper	Kennedy	Randolph
Fulbright	McClellan	

So the report was agreed to.

Mr. SPARKMAN. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, there is at the desk a concurrent resolution designed to make a technical amendment which was fully agreed to by all members of the conference committee, and was made necessary by the parliamentary situation. I ask that the concurrent resolution be read.

The concurrent resolution (S. Con. Res. 51), was read, and was considered and agreed to, as follows:

*Resolved, by the Senate (the House of Representatives concurring), That the Secretary of the Senate is authorized and directed, in the enrollment of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, to make the following corrections:*

In the section added to title I of the Housing Act of 1949 by section 417 of the bill—

(1) Strike out the first proviso and insert in lieu thereof the following: "Provided, That the aggregate expenditures made by such institution (directly or through a private redevelopment corporation) for the acquisition (from others than the local public agency), within, adjacent to, or in the immediate vicinity of the project area, of land, buildings, and structures to be redeveloped or rehabilitated by such institution for educational uses in accordance with the urban renewal plan (or with a development plan proposed by such institution or corporation, found acceptable by the Administrator after considering the standards specified in section 110(b), and approved under State or local law after public hearing), and for the demolition of such buildings and structures (including expenditures to assist in relocating tenants therefrom), if, pursuant to such urban renewal or redevelopment plan, the land is to be cleared and redeveloped, as certified by such institution to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with such urban renewal project."

(2) In the matter preceding such proviso, strike out "an urban renewal area" and insert "an urban renewal project area", and strike out "or projects" each place it appears.

#### WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—MESSAGE FROM THE HOUSE

Mr. JOHNSON of Texas. Mr. President, I ask that a message from the House on the wheat marketing quota and price support program bill be laid before the Senate.

The PRESIDING OFFICER. The message will be read.

The message was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,

June 18, 1959.

*Resolved, That the House disagree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) entitled "An act to strengthen the wheat marketing quota and price support program";*

That the House insist upon its amendment to said bill and ask a further conference



with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. ALBERT, Mr. HOEVEN, Mr. DAGUE, and Mr. BELCHER be managers of the conference on the part of the House.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

I yield 5 minutes to the distinguished chairman of the Committee on Agriculture and Forestry.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. What motion is pending?

The PRESIDING OFFICER. A motion to concur in the amendment of the House of Representatives.

Mr. CASE of South Dakota. Mr. President, if I desire to move that the Senate recede from its position and concur in the House amendment, with an amendment, would such a motion be in order?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that an amendment to the amendment of the House would be in order.

Mr. CASE of South Dakota. I wish to reserve the right to do that, Mr. President. I shall listen to the explanation of the amendment. But if the amendment is what I think it is, I shall wish to offer an amendment to recede, and to concur in the amendment of the House, with an amendment.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, as the Senate well knows, the conferees on the part of the House and the conferees on the part of the Senate tried last week to adjust their differences; and in the conference there was agreement.

The Senate agreed to the conference report; but the House rejected it. Basically, there is no real difference between the conference report that was submitted to the Senate last week and the House proposal, except with respect to the level of price supports and the amount of reduction in the farm-acreage allotment.

It will be recalled that, under the agreement by the Senate and House conferees, price supports were fixed at 80 percent of parity, with a 20 percent cut in the acreage allotment.

Under the House proposal, the acreage allotment will be cut by 25 percent, and the support price will be fixed at 90 percent of parity. If the House proposal should be adopted, it is my judgment that wheat production will be decreased this coming year by over 300 million bushels, and the net cost of the program would be reduced by about \$250 million.

I am very hopeful the Senate will agree to recede and adopt the House proposal. Unless that is done, I fear nothing will be done with respect to wheat during this session of Congress.

As Senators will remember, the Committee on Agriculture labored hard and long on a wheat bill earlier this year.

This was reported to the Senate and passed with amendments.

The House, thereupon, amended and passed the Senate bill, requesting a conference. The conference committee spent the better part of 2 days working out an agreement which provided for price supports at 80 percent of parity, with a cut in acreage allotments of 20 percent. This was the only area of real disagreement.

While the Senate readily agreed to the conference report, the House defeated this report by a vote of 214 to 202, and indicated through debate that any proposal put before them with respect to wheat would have a difficult time, with a very real likelihood that it would be defeated.

Because it is imperative that something be done in an effort to reduce wheat production and the cost of the program during this session of Congress, I am proposing that the Senate accept the House provisions of 90 percent of parity with a 25-percent cut in acreage.

The Secretary of Agriculture has already announced plans for the program for next year. The wheat referendum will be held on July 23, just 1 month away. Farmers must know what they are to vote on, and unless we take action, another year will have passed before anything can be done in the way of reducing the production of wheat and cutting the cost of the program to the Government.

Throughout the hearings on wheat, the Senate and House debate, and the conference there was only one thing that everyone agreed upon. This was that something had to be done now in the case of wheat. This is our last chance and that is why I am proposing that we accept the House bill.

Mr. HICKENLOOPER. Mr. President will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. Under the House proposal, what is the maximum wheat acreage?

Mr. ELLENDER. There is no specific maximum in the law or in the House proposal. There is a minimum national allotment now provided by law of 55 million acres. This would not be changed by the House proposal.

Mr. HICKENLOOPER. It will still remain at 55 million acres?

Mr. ELLENDER. Yes, but there will be a cutback of 25 percent on each farm acreage allotment after the 55 million acres has been allotted through State and counties to farms, or a total reduction nationally of about 14 million acres.

Mr. HICKENLOOPER. Do I correctly understand the Senator to mean that the 55 million acreage allotment will actually be reduced in total by 14 million acres?

Mr. ELLENDER. That is my judgment. The cuts in farm acreage allotments will equal one-fourth of the acreage allotted nationally, that is one-fourth of the 55 million national acreage allotment.

Mr. HICKENLOOPER. So the total wheat acreage of the country, under the House proposal, will be 41 million acres?

Mr. ELLENDER. That is essentially correct. That will be about the total of

the farm acreage allotment. Aside from the 14 million-acre reduction, there will be, in the conservation reserve program around 2½ million acres of wheat land. And aside from that, there will be a cutback because of the reduction in the 15-acre exemption to 12 acres.

Another provision contained in the House proposal, which was not in the conference substitute, provided that the smaller farmers, that, is those who did not plant as much as 12 acres in 1957, 1958, or 1959, will be able to plant in 1960 and 1961 not more than the highest number of acres planted in any one of those 3 years without being subject to marketing quotas. If a farmer had not planted more than 7 acres, for instance, in any of those years his exemption would be limited to 7 acres.

In addition, the proposal contains many provisions designed to reduce wheat acreage by strengthening controls.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. ELLENDER. Yes.

Mr. HICKENLOOPER. Is there a device in the House proposal whereby soybeans, corn, and various other grains can come under those same general provisions?

Mr. ELLENDER. No. The House proposal deals solely with wheat.

I may say to my good friend from Iowa that there is a provision providing for cross compliance with relation to the diverted acres, that is, the 25 percent or the 14 million acres. In order to obtain price support for wheat the farmer is required to reduce his acreage of price supported crops below his average acreage of such crops for 1957 and 1958 by an acreage equal to the 25-percent cut in his wheat acreage allotment. Further, the farmer will be paid in kind one-third of what he would have produced on that acreage in wheat, if he does not plant that land to any other crop. He cannot even graze it if he is to obtain the payment in kind. The idea is to try to reduce surpluses, may I say to my fellow Senators. This is our last opportunity this year to make such an attempt. It is my judgment if the proposal is enacted the total reduction in wheat acreage will be probably 16 million to 17 million acres out of a total of 55 million acres.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Louisiana 3 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is granted 3 additional minutes.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. The House report states that the cost of the wheat program would be lowered during this period by an estimated \$528 million. Would it follow that the income of the farmers would be cut by that same amount?

Mr. ELLENDER. I do not believe that their income would be cut materially, because we are compensating the



farmer in two ways. We are increasing the support price from 75 percent of parity to 90 percent of parity. It is true that the farmer's acreage will be cut back by 25 percent, but, as I have just stated, the farmer will be paid in kind, on the 25-percent acreage cut, equal to one-third of what he would have produced in wheat on those acres.

We estimated that, generally speaking, the farmer's income will be about equal to what he would receive under the provisions of the present law. As the Senator well knows, if the present law remains on the statute books and is administered as it has been in the past, we can expect, not 55 million acres, but probably 57 million to 58 million acres of land to be put into wheat.

Mr. CURTIS. Would it be a correct statement to say that if a farmer's allotment were 100 acres, without this bill he could plant the 100 acres and receive 75 percent of parity?

Mr. ELLENDER. That is correct.

Mr. CURTIS. But if this bill becomes law, he could plant only 75 acres, and would receive 90 percent of parity on that acreage?

Mr. ELLENDER. The Senator is correct. But, in addition, if the average production per acre, let us say, were 21 bushels, he would get one-third of that on each of the 25 acres if he did not harvest a crop from, or graze, the 25 acres. That would be paid in kind from stocks of the Communist Credit Corporation.

Mr. CURTIS. I still cannot see, if he gets a greater price support for less wheat, and then gets the wheat also, and gets the same amount of money, how it happens that the House has stated it would save the Government \$528 million.

Mr. ELLENDER. I do not know how the House arrived at that figure, but when the conference report was before the Senate last week, it was ascertained that with an 80 percent price support and a cutback of 20 percent on acres, it would give the farmer almost as much as he would get at 75 percent of parity. There was a very small difference.

Mr. CURTIS. This is not a bill, then, to raise the wheat farmer's income?

Mr. ELLENDER. It is going to have a tendency to give to the farmer almost the same amount of money he would receive if he planted his entire allotment at 75 percent of parity. But more importantly this bill will reduce production to the point where the entire crop will move in commercial channels and not fill Government warehouses, as a matter of fact.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. ELLENDER. This bill will reduce surpluses, and that is what we are trying to do. If weather conditions are normal, I would not be surprised if wheat production would be cut in excess of 300 million bushels.

Mr. President, I ask unanimous consent to insert at this point in the RECORD an explanation of the House amendment to S. 1968.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

#### EXPLANATION OF HOUSE AMENDMENT TO S. 1968

The House amendment to S. 1968 is a complete substitute for the Senate provisions. It would make the following changes in existing law:

With respect to the 1960 and 1961 wheat crops, it would—

(1) Provide price support at 90 percent of parity.

(2) Reduce each farm acreage allotment by 25 percent.

(3) Require, as a condition of wheat price support, that the farm acreage of price supported crops be reduced below the 1957 and 1958 average by an acreage equal to the 25 percent reduction in the wheat acreage allotment.

(4) Provide for a payment in kind (equal to one-third of the average annual wheat yield) for the acreage representing the 25 percent reduction, if such acreage is not harvested or grazed.

(5) Provide that the acreage represented by the 25 percent reduction shall be ineligible for the conservation reserve.

(6) Limit price support to the commercial area and, if marketing quotas are not disapproved, to cooperators.

(7) Provide price support at 50 percent of parity to noncooperators, as well as cooperators, if marketing quotas are disapproved.

(8) Provide that if marketing quotas are disapproved, the minimum Commodity Credit Corporation sales price for wheat for unrestricted use shall be 105 percent of 75 percent of parity, plus reasonable carrying charges.

(9) Impose penalties on the actual yield of the excess acres (or double the normal yield if the actual yield is not shown); except that if the actual yield does not exceed the normal yield of the farm acreage allotment, the marketing excess would be reduced to zero.

(10) Increase the marketing penalty to 65 percent of parity.

(11) Reduce the 15-acre exemption to the smaller of (A) 12 acres, or (B) the highest acreage planted in 1957, 1958, or 1959.

(12) Remove the 30-acre limitation on the feed wheat exemption.

The House amendment contains a \$35,000 limitation on price support for wheat per producer per year, which we understand is intended to be permanent. In addition the House amendment would permanently—

(A) Provide that in any case in which the wheat marketing excess for a farm is reduced to zero by reason of underproduction, the farm, county, and State shall not receive an acreage-history penalty by reason of the overplanting.

(B) Base eligibility for voting in marketing quota referendums on compliance with allotments in the year in which the referendum is held (rather than on being subject to the quota being voted on).

(C) Repeal the 200 bushel wheat marketing quota exemption.

(D) Repeal a requirement that an additional allotment list be kept by the county agent or local committee chairman.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, I unequivocally oppose the House wheat proposal. It would hurt the consumers, it would hurt the taxpayers, it would hurt the producers, it would raise the support price to 90 percent of parity, and it would make a 25-percent reduction in planting mandatory.

The farmer could either try to keep up his yield, by using more fertilizer and taking better care of his wheat, or he would take a licking. The increased cost to the Government would be very severe.

The bill would also further increase foreign production. It is a direct invitation for foreign countries to produce all they can, and, Mr. President, Russia has already increased production to 1.8 billion bushels in 1957 and to 2.3 billion bushels in 1958. That is over a billion bushels more than we expect to produce this year.

This bill, if passed, would discourage exports, because the United States even today is just a residual supplier. We would have to give up our exports, or else give away our wheat.

This is an impossible bill, and the wheat farmers will be the big losers.

I desire to point out the provision of the House bill which states that—

Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this act for the crop of wheat normally harvested in the calendar year in which the referendum is held, and who have complied with such acreage allotment.

Only those who have complied with their current acreage allotment can vote. If they have not complied for one reason or another, they cannot vote in the referendum for the next year's crop.

Mr. President, in the last harvest year, 685,648 wheat farmers who had allotments were not in compliance, and consequently they would be disqualified from voting in the quota referendum under the provisions of the bill. There would be 14,232 of these farms in New York, 38,934 in Pennsylvania, 68,944 in Ohio, 60,710 in Indiana, 73,224 in Illinois, 61,021 in Michigan, 24,481 in Minnesota, 75,156 in Missouri, 24,807 in Nebraska, 36,359 in Kansas, 17,403 in Virginia, 30,785 in North Carolina, 13,373 in Georgia, 25,011 in Oklahoma, 16,806 in Texas, and 13,729 in Idaho. In all States the operators of a total of 685,648 wheat farms would be disqualified from voting under the terms of the House bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LAUSCHE. How many farmers would be permitted to vote?

Mr. AIKEN. There were a total of 1,816,350 farms having allotments for the 1958 crop. The operators of 685,648 of those farms would be prohibited from voting in the referendum.

Mr. LAUSCHE. So over one-third would be prohibited from voting?

Mr. AIKEN. I have nothing further to say. I think each Senator can make up his mind as to how to vote.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MORTON. We have had a discussion concerning wheat. What about the price of bread? What would happen to the price of bread?

Mr. AIKEN. I expect that the price of bread would rise, because the handlers and processors generally seize upon any



opportunity to charge higher prices to the consumers.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JAVITS. What about the price of feed, for the farmers who feed cattle and chickens?

Mr. AIKEN. I do not know. That would depend on whether the wheat growers planted his acreage taken out of wheat to other crops. I think he can do so under the bill. I think he can easily plant the diverted acres under the terms of the bill.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Colorado.

Mr. ALLOTT. Under the terms of the bill one-third of the average production of the wheat land which is taken out of production would be paid back to the farmer in kind, and a great amount of the production of this country—

Mr. AIKEN. If I may anticipate the Senator's question, the farmer would not follow that practice.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. DIRKSEN. Mr. President, I yield the Senator from Vermont 2 additional minutes.

Mr. ALLOTT. In the great wheat-producing areas where there is not a combined operation, can the Senator tell me what the farmer would do with the wheat, and also what effect there would be on the small grains market and on the prices of livestock?

Mr. AIKEN. I think it may be assumed that the farmer would sell the wheat for whatever price he could for it. Very likely the wheat would go on the small grains market. I think it is more likely, though, that rather than take advantage of that provision of the law the farmer would plant the extra acres to grain sorghums, if he were in the grain sorghum area, or to corn, if he were in the corn area.

Mr. ALLOTT. The farmer is not forbidden, under the terms of the bill, to plant the land to anything else; is that correct?

Mr. CASE of South Dakota. Mr. President, if the Senator will yield, I read from the House report on that matter, page 9:

To compensate for this restriction on the use of diverted acres (which does not apply to any other crop) producers may qualify for a payment in kind for each of the 1960 and 1961 crop years by not planting on their diverted wheat acreage any crop for harvest in the applicable year nor permitting the land to be grazed.

Mr. AIKEN. Mr. President, this is on my time, and I cannot yield to the Senator from South Dakota. Of course, the farmer does not have to take the 7 or 8 bushels of wheat which he might receive for not planting his diverted acres. He can plant the land and get 100 bushels of corn or of grain sorghums.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from North Dakota.

May we have order in the Chamber, please?

The PRESIDING OFFICER. Let there be order in the Senate.

Mr. YOUNG of North Dakota. Mr. President, I am going to vote for the bill, although it is far from the kind of wheat legislation I think the Congress should enact.

Mr. JOHNSON of Texas. Mr. President, may we have order in the Chamber please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. YOUNG of North Dakota. Mr. President, I am convinced by this time that no satisfactory wheat legislation is possible so long as Secretary Benson is Secretary of Agriculture. If one believes otherwise, all one has to do is to read the report which Secretary Benson sent to all the Republican Members of the House of Representatives before the compromise wheat bill was voted upon in that body. That is the most irresponsible statement any Secretary of Agriculture ever made.

Mr. President, I proposed in the Senate Committee on agriculture and Forestry that we retain 75 percent of parity price supports and cut the acreage of the big farmers, those with 200 acres or more, 10 percent, and cut the acreage of the small farmers only 5 percent. The Secretary of Agriculture opposed that.

Now, at least, he claims to be for the continuation of the present program.

I then proposed that we go to a 65 percent of parity price support program if the farmer would plant within the present quotas, 75 percent of parity price support if the farmer would cut his acreage 10 percent, or 80 percent of parity price supports if the farmer reduced his acreage by as much as 20 percent. The Secretary of Agriculture opposed that.

The Secretary of Agriculture has opposed everything except exactly that which he wants, which is practically nothing at all. His program would result in about \$1 or \$1.15 a bushel for wheat. That proposal was offered for consideration of the Senate by the Republican leader, but it did not get more than a half dozen votes in the Senate.

The Secretary of Agriculture opposes everything but a program which offers everything he supports, so we have, in practical effect, no alternative but to vote for the program being offered here tonight.

I hope the Congress will pass the two-price or domestic parity system, or a better program, but in the absence of such legislation I shall be forced to vote for the bill we have before us.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. JOHNSON of Texas. Mr. President, I am constrained to agree with my delightful friend from North Dakota. I am informed that at this moment high officials are calling Members of the Senate, lobbying on this measure. I hope the Senate will act, decisively and promptly in behalf of the farmers of America.

Mr. YOUNG of North Dakota. If I may take 1 minute, I should like to read

one paragraph from the Secretary's statement, to show how unreasonable it is:

This bill does nothing to give small family-sized farms a vote in a wheat marketing quota referendum. Tobacco farmers with one-tenth of an acre allotment are allowed to vote on their programs but wheat farmers with as much as 15 acres are not permitted to vote.

The bill does reduce the acreage exemption from 15 acres to 12 acres. An additional group of persons, about 80,000, would be given the right to vote under this provision; that is, those farmers with wheat allotments of between 12 and 15 acres.

With respect to tobacco, no one can plant even one-tenth of an acre of tobacco unless he has an allotment. If he has an allotment he can vote. But he cannot plant any tobacco at all unless he has an allotment. With wheat, the situation is entirely different.

The wheat marketing quota program is the only one which gives a farmer an exemption which permits him to plant in excess of his allotment free of penalty. In fact, until just a year ago, a farmer planting in excess of his quota tended to gain wheat history and to increase his allotment.

Why the Secretary would even attempt to draw a comparison between wheat and tobacco is beyond my comprehension.

Mr. JOHNSON of Texas. Mr. President, I yield 4 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, when the President made known to Congress the requirements for wheat legislation, he laid down two principles which he asked us to embrace in any legislation—first, to bring down the wheat inventory held by the Government. This is called the surplus. Frankly, I have not been so distressed about the surplus, in the light of the world need, as have the proponents of the administration.

Second, he asked us to bring about savings in cost to the Government and to the taxpayers.

Those are the two principles laid down by the administration for wheat legislation. Congress is concerned about a third principle which is of no visible concern to the administration, namely, the preservation of reasonable income for farm producers.

In this instance we are dealing with the crop of wheat, and the bill before us takes care of principle No. 1. It will bring down the inventory. It takes care of principle No. 2. It will bring about savings in the cost to the Government and to the taxpayers; and it takes care of principle No. 3. It will maintain farm income. Let me show briefly how that will be accomplished.

The bill provides for the reduction of wheat production by reducing each acreage allotment by 25 percent. This cuts the national allotment back, as the chairman said, to 41 million acres, a 14 million acre reduction.

The bill further provides for reducing production by strengthening the penalties for overplanting. Every Member of



this body knows that one of the reasons for the tremendous surpluses has been overplanting.

The present penalty of 45 percent of parity is increased to 65 percent of parity, and the penalty provisions would be based upon double the normal yield, or on the actual yield, whichever is the lower. That is a far cry from the present situation.

Third, compliance will be further encouraged by providing payments in kind equal to one-third the average annual production on the retired acres during the preceding 3 years. This will also avoid the planting of diverted acres to other crops, or using them for grazing.

This is a kind of cross-compliance which is provided for, and yet requires one-third payment in kind, which comes out of the Commodity Credit Corporation storehouses and goes to the farmer. The farmer may use it for whatever purpose he wishes, except that he may not put it back under crop loan. He may market it, feed it, or store it. He can do whatever he wishes with it, except place it back under Government crop loan.

The bill before us would reduce the 15-acre exemption to 12 acres, and it would abolish the 30-acre limitation on the production of wheat to be consumed on the farm.

Dr. Walter Wilcox, of the Library of Congress, has estimated that the bill would reduce the production of wheat by 20 percent in volume, and reduce Government costs by \$264 million a year. Dr. Wilcox is the respected, accepted economic authority in the Library of Congress on agricultural matters. His estimate is that a saving of \$264 million a year would be made in the cost of Commodity Credit Corporation operations. His estimate is based on a 20 percent reduction in production. Instead of adding 150 million bushels of surplus wheat to Government stocks in 1960 and 1961, the bill would cut surplus production, and use up 90 million bushels already in storage.

The bill also places a \$35,000 limitation on the wheat price support payment to any single producer; and while the bill accomplishes these desirable aims—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, may I have an additional minute?

Mr. JOHNSON of Texas. Mr. President, I yield an additional minute to the Senator from Minnesota.

Mr. HUMPHREY. While accomplishing these desirable aims—reducing surplus and cutting Commodity Credit Corporation costs, the bill also would maintain the income of wheat farmers at a level high enough to keep them in business for the next 2 years, the term of this stopgap legislation. I emphasize that this is emergency, stopgap legislation.

I agree with the Senator from North Dakota [Mr. YOUNG] and the Senator from Louisiana [Mr. ELLENDER] that if we do not pass this bill, there will be no wheat bill. If we do not pass this bill, and the volume of wheat production continues at its present rate, we shall be

faced with such a situation in the Senate that there will be a repetition of what occurred in connection with the potato program.

We must do something to correct this situation. We have been trying to do something to correct this situation. I recommend 85 percent of parity, with a 20 percent reduction in wheat allotments. The committee recommended 80 percent of parity with a 20 percent reduction in allotments. This provision is 90 percent of parity with a 25 percent cutback. When we ask the farmer to cut back his production 25 percent, 90 percent of parity on the bushels produced is the absolute minimum we can offer.

That, together with the one-third payment in kind, maintains the farmer's income at a level high enough to partially offset the loss from reduced production. Reduced production for the United States reduces the cost to the taxpayers and to the Commodity Credit Corporation. The principles which have been laid down as desirable and acceptable by both the President and the Congress are fulfilled by the provisions of the bill.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the senior Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, I think my distinguished colleague on the conference committee and on the Committee on Agriculture and Forestry, the Senator from North Dakota [Mr. Young] has pretty well summarized the situation which we confront in connection with the wheat problem.

There is no question that today the wheat farmers of the country are facing a cruel dilemma. Actually the approval of the House amendment would provide for the wheat farmer a smaller income than he would get if he were to continue to keep 75 percent of parity for 100 percent of his crop. One does not have to be very fast with a lead pencil to realize that 75 percent of 100 percent of his crop base would give him more than 90 percent of 75 percent of his crop base.

But we are overproducing wheat. There must be a cutback, if our overall agricultural program is to be saved.

A 25-percent cutback is a sharp cutback. It will certainly reduce the planted acreage very considerably. As a temporary expedient, however, I shall vote for this House proposal inadequate and inequitable as it is. Frankly, I would much prefer to be voting for a two-price wheat bill today which would really step up the income of wheat producers to a fair level without increasing the surplus problem. However such a happier choice is not now before us.

I am not very much impressed by the argument that this measure would increase the price of bread, because now actually less than 3 cents of the entire cost of a loaf of bread is represented by the wheat content. Varying degrees of parity have no great impact on the price of bread. The price of bread is determined largely by handling charges, marketing margins, transportation charges, and labor costs. It is not determined by whether the farmer gets a few dimes, more or less, for a bushel of wheat.

I think we should recognize that when, as, and if we ask the farmer to cut back his production because of a national situation in connection with the surplus, with its colossal cost to the taxpayers for storing the grain in surplus, then in simple honesty we should increase his price support and the returns he gets per unit correspondingly, unless we are to be deliberately and manifestly unfair and unjust to the American farmer. So, as our best alternative at the moment, I urge support of this House bill. In conference, we attempted several alternative solutions without success. The House has voted down the only one we were able to get approved in conference. And it must be said that conference proposal was itself an inadequate and unsatisfying compromise.

At least, Mr. President, the bill before us has the advantage of channeling most of the costs of the farm program into the pockets of the producers who need and deserve the revenue and less of the money will be required to pay storage costs in terminal elevators. That is progress in the right direction and makes this proposal better as well as more economical to taxpayers than the existing wheat program.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished junior Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, I desire to offer an amendment to the House amendment as a substitute for the bill, to change 90 percent to 85 percent in each case where the figure "90" occurs in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the distinguished Senator from North Dakota [Mr. Young] and the distinguished Senator from Minnesota [Mr. HUMPHREY] have said that if we do not take this bill, there will be no bill. I have no pipeline to the White House, but anyone who has followed this legislation at all, must almost admit that there will not be any law if it requires 90 percent support. Is there any Member of this body who has read any of the statements on this subject emanating from the Department of Agriculture, or any other comment, who believes that a 90-percent bill would be signed? In that case, why go through an exercise in futility?

The Senator from Minnesota said that he himself had advocated 85 percent support. The Senator from North Dakota [Mr. Young] is the one who proposed the idea of the 80-percent support with a 20-percent reduction.

Mr. YOUNG of North Dakota. I coupled that with a bushel allotment.

Mr. CASE of South Dakota. Yes; coupled with a bushel allotment. Eighty percent support and 20 percent reduction is what the Senate approved. It is what the conferees approved. It was reported by a narrow vote in the House. So we come back to the House amendment.

I hold in my hand a copy of the House version. When it was reported by the



Committee on Agriculture in the House, it proposed a 30-percent cut with a 90-percent support.

The change from 30 percent to 25 percent was evidently made on the floor of the House. This is the report I have in my hand. I obtained it from a page, and other Members can get a copy of it. The 90-percent support was based upon a 30-percent cut. If we wish to be consistent, and if we wish to follow the thinking of the Senator from North Dakota in proposing a 20-percent cut and 80 percent support, it seems to me the logical thing to do is to provide for 85-percent support and a 25-percent cut. The payment in kind provision commends itself, and makes sense. If we really want wheat legislation, we ought to put the bill in some sort of shape so that there will be a chance of its becoming law. I personally hope that agreement may be based on 85-percent support and a 25-percent reduction.

Mr. YOUNG of North Dakota. I would vote for such an amendment if there were the slightest chance that it would be approved by the Secretary of Agriculture and President Eisenhower. Some of the strongest language to come from the Department of Agriculture was placed in the CONGRESSIONAL RECORD last Thursday in opposition to an 80-percent support. They claimed it was far out of reason. Certainly 85-percent support would fare no better.

Mr. CASE of South Dakota. That was 80-percent support with a 20-percent cut. It seems to me that we ought to have 85-percent support with a 25-percent cut.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes. Then I shall yield back the remainder of the time.

My difficulty with the bill is this: I always have to think about it in terms of what I would do under a given circumstance. If I were a wheat farmer with 100 acres of wheat, my acreage under this bill, would be reduced by 25 percent. I would have 75 acres of wheat and 25 acres which I could use for something else. For the wheat on the 75 acres, I would get 90 percent of parity. I am sure that if I were trying to be a Yankee trader, I would certainly surrender the poorest acres I had. Then what would I do? I could do two things. I could plant potatoes, for one thing. They are not price supported. I could plant vegetables. I would get 90 percent on the 75 acres of wheat. I could plant 25 acres in another crop. Then trouble would begin for other crops. We would have a problem.

I could do something else with the 25 acres. In addition to getting 90 percent of parity, I could plant corn. I could not get a wheat loan if I planted a price supported crop, but I could take my chances and sell the wheat at 90 percent of parity, and I would have 25 acres which I planted to corn. Corn is a good feed grain. So it all adds up to what? Does it solve anything? It does not. It will cause more of a problem than we have at the present time. Therefore the difficulty I find myself in, obviously, is that I am compelled under the circumstances to vote against the motion and to vote against the amendment. Mr.

President, I ask unanimous consent, in connection with my remarks, to have a statement I prepared printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR DIRKSEN

H.R. 7246 contains a temporary wheat program, since it is applicable only to two wheat crops, the 1960 and 1961 crops. At the end of the 2-year period the program would revert to the present program.

Under the bill farmers would be given a 90 percent of parity support level, and each individual's share of the 55-million-acre minimum allotment will be reduced by 25 percent.

The bill would also make these additional changes in existing legislation:

1. Only farms with wheat acreages of the smaller of 12 acres or the highest number of acres planted to wheat for harvest in 1957, 1958, or 1959 would be exempt from marketing quotas.

2. The 30-acre limitation on the feed wheat exemption permitting a farmer to harvest up to 30 acres is eliminated.

3. The marketing quota penalty rate is raised to 65 percent of parity and is based on actual production on excess acres instead of the present marketing quotas excess concept using normal production. Until the actual production figure is established, the penalty would be based on twice the normal yield on the excess acres.

4. The minimum sales price for unrestricted sales of wheat from CCC stocks is continued at 105 percent of the 90 percent of parity support level plus reasonable carrying charges.

5. That payments-in-kind, equal to one-third of average yields per acre, shall be made from Government stores of wheat to those growers who agree not to harvest any crop, or to use for pasture, the land taken out of wheat production. Only those farmers who completely idled their reduced wheat acreage would receive payments-in-kind. The bill still would deny wheat price supports to any farmer who increased his plantings to other price supported crops while cutting back his wheat acreage. The land diverted from wheat would not be eligible for conservation reserve payments.

6. That, if the new program fails to receive a two-thirds vote in a referendum of wheatgrowers, then all wheat producers, regardless of whether they comply with acreage allotments, will receive a support price at 50 percent of parity. If marketing quotas are disapproved, the present surplus of wheat could not be released by CCC for less than 75 percent of parity plus 5 percent plus reasonable carrying charges.

7. At the end of the 2-year life of the legislation, the wheat program would revert to that provided under present law, unless the Congress takes further action before the 1962 crops are planted.

We do not favor this bill because it provides for price support at unrealistic and incentive levels which will offset to a large extent the reduction in production.

While the bill provides for 90 percent of parity support levels for wheat, it is bound to result in a market price for wheat close to 95 percent of parity. The effect of support of any significant portion of the crop at 90 percent of parity will be a market price close to 95-percent level because of the operation of the payment-in-kind export program. This high market price in turn will have these effects:

(a) The annual cost of the wheat export subsidy will be increased by over \$200 million as compared with the present program.

(b) There will be a price incentive to increase yields on the reduced acreage as much as possible, and this will tend to

reduce significantly the production effects resulting from the acreage cutbacks. The mandatory supports will be at levels which so stimulate new technology and the new flow of capital into production as to offset in large part the control effort.

(c) Producers will tend to reduce their wheat acreage with the poorer land, thus the acreage left in wheat will have an above-average production potential. With the high level of support producers will strive for even higher yields, and with the better land the wheat crop would be reduced by an amount smaller than the acreage cut. The reduction in wheat output might not be more than 15 percent.

This bill is also deficient for the following reasons:

(a) It would amend the 15-percent exemption by reducing this exemption to the lower of 12 acres or the highest planted acreage in 1957, 1958, or 1959. This modification will prohibit any new producers from harvesting any wheat free of penalty. However, this change does not go far enough in view of the immensity of the wheat problem, if the controls are to be effective. There will be every price incentive to harvest as much as legally permitted. The 15-acre exemption has contributed significantly to the surplus and needs to be eliminated. The higher market price will provide an incentive to utilize this provision to the maximum permitted. It maintains an undesirable loophole.

(b) It changes the voting requirement but continues the unfair disenfranchisement of 60 percent of the wheatgrowers. Wheat is the only commodity for which the right to vote is affected by the size of the acreage. This is an unfair discrimination against the small family farm.

(c) Diverted wheat acreage could be shifted into crops not now price supported, such as potatoes, vegetables, popcorn, broom corn, etc., creating surpluses in these crops. This in turn could lead to the need for Government help to these producers, since their problems would have been the result of a Government program.

(d) Support at the 90 percent of parity level for wheat would provide a special advantage to wheat not available to growers of other crops. In addition, it should be noted that this approach would result in a higher level of parity for wheat in the same manner as tobacco. This would increase the cost of the program over time.

(e) If we assume a reduction of 14 million acres, this would leave a balance of about 44 million acres. It is generally agreed that the acreage withdrawn from wheat production will be the poorest producing acres on the farm. Also, the production stimulus of the higher price will offset greatly the reduced acreage. Thus, this program attempts to go in two directions at the same time.

It is difficult to estimate the potential cost of this program. We know that the export subsidy will be increased by \$200 million. In addition, there will be the additional cost of the payment-in-kind provision which is estimated at a maximum of \$181 million, but will probably be less than this.

Another variable will be the fact that many farmers will decide to take advantage of the loopholes in this legislation. Under this bill a producer may reduce his wheat acreage by 25 percent and plant the diverted acreage to another price-supported crop, for example, corn. All he will lose will be his eligibility for a wheat loan. However, since enough farmers will cooperate so as to make the support program effective, the farmer who takes advantage of the loophole can sell his wheat at 90 percent of parity or better and obtain price support on all his other price-supported crops. Farmers will get on to this quickly.

The saving from reduced production of wheat will be \$270 million.



It would appear that on balance this proposed program is \$110 million more expensive than the excessively costly present program. During the last 5 years the net realized cost for supporting price and income of wheat producers was over \$2.5 billion. In addition, carryover stocks will have been built up to about 1.5 billion bushels by July 1, 1960. This is about three times U.S. food needs. It is costing CCC over \$1 million per day just for storage and interest on this tremendous surplus.

It is for the above reasons that we do not recommend the adoption of this bill even if Congress elects to take the approach of greater controls. It is self-defeating.

If an attempt is made to solve the wheat problem by more controls, we feel that action along the following lines needs to be taken.

If the control concept is to be retained in the wheat program, it is essential that the loopholes be closed and effective actions be taken to bring production down until stocks are reduced to desirable levels. The legislative changes needed would include such as the following:

(a) Base price supports on a percentage of average market prices of the immediately preceding years, or, if the present standard is retained, give the Secretary the same discretion as he has for most other commodities.

(b) Eliminate the provision allowing any farmer to produce and market up to 15 acres of wheat. This loophole alone will account for some 600 million bushels, or 40 percent of the estimated accumulated carryover as of July 1, 1960.

(c) Permit all wheat growers to vote in the marketing quota referendum—not just the larger producers.

(d) Base compliance with acreage allotments on a planted, rather than a harvested, basis.

(e) Increase the penalty rate for overplanting to a point that will stop this practice.

(f) Base the penalty for overplanting on the actual overproduction rather than the normal yield per acre.

(g) Eliminate the 55-million-acre minimum to allow adjusting the acreage to the amount of wheat than can be sold for dollars under the support price that prevails.

(h) Consider allotments on a bushelage instead of an acreage basis.

However, we feel that the following proposals are preferable to the tightening of controls:

#### WHEAT

The preferred proposed legislation would remove the present 30-acre limit on the number of acres of wheat which may be grown on a farm for use on the farm as feed, food, or seed without penalty. Acreage allotments and marketing quotas on wheat would be discontinued beginning with the 1963 crop.

The level of price support for the 1960, 1961, and 1962 crops of wheat would be 75 percent of the average price received by farmers during the 3 preceding marketing years. The level of price support for the 1963 and subsequent crops would be 90 percent of the average price received by farmers for the 3 preceding marketing years.

#### CONSERVATION RESERVE PROGRAM

The proposed legislation would make changes in the existing law applicable to the conservation reserve program as follows:

(a) Extend for 3 additional years the authority for entering into and carrying out contracts under the conservation reserve program.

(b) Increase the limitation on the amount of the obligations which may be incurred under the program from \$450 million to \$500 million in any calendar year.

(c) Provide specific authority for giving special consideration to those States and regions where it is necessary to discourage the

production of wheat in distributing the national conservation reserve goal and allocating the funds to the States.

#### EXTENSION OF PUBLIC LAW 480

The proposed legislation would:

(1) Extend title I of the Agricultural Trade Development and Assistance Act of 1954 for 3 years.

(2) Increase the amount authorized to be expended under title I of such act by \$4,500 million.

(3) Extend title II of the act for 3 years.

(4) Increase the amount authorized to be expended under title II of such act from \$800 million to \$1,500 million.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. What is the alternative?

Mr. DIRKSEN. Existing law.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I hope that the Senate will not consider this amendment favorably. It will have to go back to the House. I am well informed when I say that the House will not be willing to vote for 85 percent of parity. We voted for 80 percent last week, with a 20 percent cut, and that was defeated in the House. My fear is that if the bill is sent back to the House it will be delayed, and unless we act upon this bill promptly and send it to the White House, the Secretary of Agriculture will be compelled to proceed under the present law.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. CASE of South Dakota. Does not the Senator recognize the fact that the conference agreement was rejected in the House by a combination of two extremes, but that with 85 percent support we would make a concession in one direction and with the 25 percent cut we would make a concession in the other direction, and we might get agreement? Does the Senator really believe that this bill, if it should be passed without the amendment, will be signed at the White House?

Mr. ELLENDER. I do not believe that any bill will be signed, to be perfectly frank.

Mr. CASE of South Dakota. We should move in the direction of some chance of a bill being signed.

Mr. ELLENDER. There is no use of sending it back to the House. It will mean delay. I move to lay the amendment on the table.

Mr. JOHNSON of Texas. I ask for the yeas and nays on the amendment.

Mr. CASE of South Dakota. Mr. President, does the Senator from Louisiana move to table the amendment?

Mr. CAPEHART. Yes.

The PRESIDING OFFICER. The Chair will ask the Senator from Louisiana if he moves to table.

Mr. ELLENDER. Yes; I move to table it.

The PRESIDING OFFICER. The motion is not debatable.

Mr. DIRKSEN. If it is in order, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. DIRKSEN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Does the vote come on the motion to table the Case amendment?

The PRESIDING OFFICER. That is correct.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. Must all time be yielded back first?

Mr. JOHNSON of Texas. Not on the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. DIRKSEN. I yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, the other evening, in the late hour, we had the unfortunate procedure of having to legislate on this wheat matter. It is unfortunate that today we face the question of voting upon this matter during a limitation of time. I wish to say that after much soul searching, and although I come from a State which produces a great deal of wheat, I shall have to oppose the motion to concur in the House amendment. I do it for this reason: After sharpening my own pencil and doing a little bit of work, I find that the net effect on the farmer will be to reduce his wheat income in something like the ratio of 75 to 67½. The wheat farmer cannot stand, under the price structure, and even under the price structure in this bill, a 20-percent cut.

We talk about subsidizing the farmers. However, when we see the amount of wheat which goes into a loaf of bread we realize that it is not the farmer who gets the subsidies. It is the man who makes the bread.

Therefore, for my own part, because I think it would put out of business not the big wheat farmers, not those with 2,000 or 10,000 or 15,000 acres, but the small wheat farmer, I shall vote against the motion. Also, I do not think that this proposal begins to provide the final solution to the wheat problem. I do not believe we ever will until we put controls on a bushel basis. I hope that at some time Congress will do that.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON], that the Senate recede from its disagreement to the amendment of the House, and agree to the same.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ANDERSON. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON], that the Senate recede from its disagree-



ment to the amendment of the House, and agree to the same.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ANDERSON (when his name was called). On this vote I have a pair with the senior Senator from Wyoming [Mr. O'MAHONEY]. If he were present and voting, he would vote "yea." If I were free to vote, I would vote "nay." I withhold my vote.

The Chief Clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Maine [Mr. MUSKIE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Georgia [Mr. RUSSELL], are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Massachusetts would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Kentucky [Mr. COOPER], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "nay."

The result was announced—yeas 44, nays 40, as follows:

## YEAS—44

Bartlett	Hayden	Mansfield
Bible	Hennings	Monroney
Byrd, W. Va.	Humphrey	Morse
Cannon	Jackson	Moss
Carroll	Johnson, Tex.	Mundt
Chavez	Johnston, S.C.	Murray
Church	Jordan	Proxmire
Clark	Kefauver	Sparkman
Douglas	Kerr	Stennis
Ellender	Langer	Symington
Engle	Long	Talmadge
Ervin	McCarthy	Yarborough
Green	McGee	Young, N. Dak.
Hart	McNamara	Young, Ohio
Hartke	Magnuson	

## NAYS—40

Alken	Dworshak	Pastore
Allott	Eastland	Prouty
Beall	Frear	Robertson
Bennett	Gruening	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Holland	Scott
Capehart	Hruska	Smathers
Carlson	Javits	Smith
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Kuchel	Wiley
Cotton	Lausche	Williams, N.J.
Curtis	Martin	Williams, Del.
Dirksen	Morton	
Dodd	Neuberger	

## NOT VOTING—14

Anderson	Goldwater	Muskie
Bridges	Gore	O'Mahoney
Byrd, Va.	Hill	Randolph
Cooper	Kennedy	Russell
Fulbright	McClellan	

So the motion of Mr. JOHNSON of Texas was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the motion was agreed to.

Mr. JOHNSON of Texas. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

## THE YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, the support for our proposal for a Youth Conservation Corps, S. 812, which has been favorably reported to the full Committee on Labor and Public Welfare, continues to grow throughout the country.

Most recently I received a letter indicating the very great interest of organized labor in this legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a letter from Mr. Richard C. Radman, Jr., secretary of the St. Paul Building and Construction Trades Council, St. Paul, Minn.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. PAUL BUILDING AND  
CONSTRUCTION TRADES COUNCIL,  
St. Paul, Minn., June 11, 1959.

Senator HUBERT H. HUMPHREY,  
U.S. Senate, Washington, D.C.

DEAR SENATOR: The St. Paul Building and Construction Trades Council has carefully considered your proposed youth conservation legislation S. 812 and we enthusiastically endorse this bill.

We believe that if S. 812 is enacted into law it will not only benefit the construction industry, but the Nation as a whole.

Sincerely yours,

RICHARD C. RADMAN, JR.,  
Secretary.

## TREND TOWARD LEGISLATION BY DECREE—ADDRESS BY FORMER SUPREME COURT JUSTICE BYRNES

Mr. THURMOND. Mr. President, in an outstanding address before the Georgia Bar Association on Friday night, former Supreme Court Justice James F. Byrnes criticized the Court's recent trend toward legislating by decree, and he upholds the right of the people to take exception to such decrees without being termed "unpatriotic."

It is significant that Governor Byrnes, now retired from public life but having an unparalleled record of achievement in high positions in all branches of State and Federal Government, should have made such an address. No living American is better qualified than he to discuss the responsibilities of men in public life, and to warn of the intoxicating power under which many of these public servants fall.

Governor Byrnes' address earnestly discusses the impact of Court decisions in segregation cases on the South. His presentation is a brilliant one throughout. I ask unanimous consent that it be printed in the body of the RECORD at the conclusion of these remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

## TEXT OF BYRNES SPEECH BEFORE GEORGIA BAR ASSOCIATION

One result of the decision of the Supreme Court in the segregation cases has been the persistent effort on the part of influential groups to brainwash the people into believing that criticism of the Court's decision is unpatriotic if not unlawful. That is absurd.

A decision of the Supreme Court, within the limits of the issues actually decided, is the law of the case, but it is not the law of the land. These parties involved in the case decided by the Court, without question, must obey the final decree of the Court. But the people of the United States have the right to express their opinion of the Court's decision, and should recall the statement of Abraham Lincoln that, "To sin by silence when they should protest makes cowards out of men."

The U.S. Government has the power to enforce the decrees of its courts. No sane southerner advocates resistance by any unlawful method, but even as they obey the law, they have the right—yes, I think the duty—to let the people of the United States know that they believe the decision was a violation of the Constitution of the United States.

## LAW OF LAND

Those who assume to lecture southerners about the law of the land should know that the Constitution itself refers to the Constitution and all laws of the United States made in pursuance thereof as the supreme law of the land.

Courts have only the power to declare what legal obligation is applicable in a particular case between the parties to the case. They do not have the power to make laws. That is the exclusive prerogative of the Congress. A court's decision affects other cases only as it shows what the court may, in the future, decide in similar cases.

Those who wish to clothe with infallibility the segregation decision as the law of the land, should remember that the doctrine of separate but equal school facilities for the races had been upheld by the Supreme Court for 58 years.

During that period some of the same people who now denounce southerners for failing to cooperate in enforcing the Court's decision, themselves had persistently demanded a reversal of the separate but equal doctrine. And most of those people did not cease to criticize the prohibition laws until they brought about their repeal.

## PROTESTS OF JUSTICES

Whatever success our critics have had in silencing some in our midst, they have not frightened the judges of the State courts or the members of the bar. Nothing was more heartening than the action of the chief justices of 36 States in formally protesting against the recent decisions of the Supreme Court recklessly invalidating the constitutions and laws of the States.

It required superb courage for the American Bar Association, composed of lawyers from every State in the Union, to record its criticism of the Supreme Court. Those lawyers knew that in representing clients, they might be required to appear before the Supreme Court. They could not know whether their action would be resented and consciously or unconsciously affect the determination of their cases.

It is our duty to let the people of other sections know that the attitude of the South is due not to racial prejudice but to the firm belief that the Court has arrogated to itself the power of a third legislature and if not curbed by the Congress, will destroy local governments.

## REVERE CONSTITUTION

In no other section of the country could there be found lawyers with greater rever-



ence for the Constitution of the United States. They have reason for their reverence. The founders of this Republic came here to escape oppression of governments in the Old World.

They refused to ratify the United States Constitution until political leaders gave assurances it soon would be amended. In accordance with these promises, the 10th amendment was adopted, providing "The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively or to the people." This is still part of the Constitution and the judge who knowingly violates this provision violates his oath to uphold the Constitution.

Heretofore we have had great respect for the Supreme Court because we have regarded it as the defender of the Constitution. We have relied upon the Court for protection against either the Executive or the Congress, acting in violation of the Constitution.

We believe in the provisions of article VI which states that "the Constitution and laws made in pursuant thereof shall be the supreme law of the land," and that the Constitution can be amended only in the manner provided in article V of that instrument. We believe the safety of the Republic and the liberties of the people are endangered when the Supreme Court, instead of discharging its duty of interpreting the Constitution, attempts to rewrite it. And we believe that is exactly what the Supreme Court did in the segregation cases.

#### ASKED EVIDENCE

After those cases were first heard, the Court asked for further argument, requesting counsel to answer first this question: "What evidence is there that the Congress which submitted and the State legislatures or conventions which ratified the 14th amendment, contemplated or did not contemplate, that it would abolish segregation in public schools?"

Certainly the 14th amendment does not mention schools, but it is an accepted maxim of the law that if in interpreting the Constitution the Court thinks there are doubtful expressions, it should seek from the records the purpose for which the amendment was adopted. The request for reargument indicated the Court was in doubt.

John W. Oavis, the ablest constitutional lawyer of our time, represented South Carolina. He showed that when the 14th amendment was considered by Congress, it rejected proposals that segregated schools should be specifically prohibited, and the same Congress enacted legislation recognizing separate schools for the races in the District of Columbia.

He further showed that 24 of the 37 States then existing, legally sanctioned segregated schools. The proof that the 14th amendment was never intended by the Congress or the States to apply to public schools was so overwhelming that the Court did not have the temerity to declare the contrary. It feebly said the legislative history was "inconclusive."

#### FLIMSY REASONING

Now the burden was on the petitioners. If the proof of intent was inconclusive, then the Court should have said just what it said 2 years later in the case of *Ullmann v. United States*: "Nothing new can be put in the Constitution except through the amendatory process."

Instead, the Court declared "We cannot turn the clock back to 1868 when the amendment was adopted or to 1896 when *Plessy v. Ferguson* was written."

Then why did the Court ask counsel to file briefs as to the intent of Congress and the States in 1868 and to argue whether the Court was bound by its decision in *Plessy v. Ferguson*?

If the age of our Constitution is to be held against the soundness of its fundamental principles, what about the age of our religion? If time invalidates truth in one field, will it not do so in another?

The Court in its opinion, citing no authority other than the writings of several sociologists who had not testified in the case, but had been investigated by the House Un-American Activities Committee, amended the Constitution and invalidated the constitutions and statutes of 17 States.

#### WAY TO AMEND

A distinguished member of your association, Charles J. Bloch, in his scholarly work "States Rights—The Law of the Land," quotes the elder Justice Harlan, as having said in a court decision 50 years ago: "The country should never be allowed to think that the Constitution can in any case be evaded or amended by mere judicial interpretation or that its behest may be nullified by an ingenious construction of its provisions." That statement is as true today as it was a half century ago.

But it is not only in amending the U.S. Constitution that the Supreme Court has aroused the fears of the South. It has invalidated the constitutions and laws of many States, where Communists or Communist sympathizers were involved.

In the Slochower case, the Court decided the State of New York could not by law prescribe qualifications for teachers.

California and New Mexico have been told they cannot regulate the licensing of persons to practice law.

#### GIRARD CASE

Stephen Girard, in his will 126 years ago, bequeathed funds for the establishment of Girard College for the education of white boys. Trustees were appointed by the city of Philadelphia, but they acted only in a fiduciary capacity, not 1 cent of public money being spent.

The will was sustained by the State courts, but upon appeal the Supreme Court, that had amended the Constitution, held the will discriminated against Negroes, and amended the will. Then a State court appointed trustees in place of those previously appointed by the city. The Negroes again appealed, but the nationwide protests against the Court setting aside the will evidently were heard. The Court this time dismissed the appeal and Girard College is still segregated.

In the Nelson decision of 1956 the Court struck down a Pennsylvania law, providing punishment for criminal conspiracy to overthrow the Government by force, holding that the Federal Smith Act monopolized the field. Last week the Court, in the Uphaus case, in a 5 to 4 decision reversed its 1956 decision, but, to distinguish it from the Nelson case, said that under Nelson, a State could proceed with prosecutions for sedition against the State itself. That is some progress.

#### EFFECTIVE THREAT

The Court's decision in the Watkins case (1957) restricting the power of Congress to investigate, resulted in the pending legislation to curb the Court. The threat of congressional action apparently was effective.

Last week in another case, *Barenblatt*, the Court by another 5 to 4 decision held as to congressional investigations, "The judiciary lacks authority to intervene on the basis of motives which spurred the exercise of that power."

Justice Harlan, for the majority, sought to distinguish the facts from the Watkins case. A vigorous dissent by Justice Black was concurred in by his usual associates, Justices Warren, Douglas, and Brennan, charging that "exposure and punishment is the aim of the committee and the reason for its existence." They further said the Un-American Activities Committee's inquiries

"amount to an encroachment on the judiciary which bodes ill for the peoples of this land." That is a severe indictment of the representatives of the people. It is a bold challenge to the power of the Congress.

#### POWER INTOXICATES

The congressional committee criticized by the four Justices, has been in existence for many years. Every 2 years it has been expressly continued and given appropriations. The Congressmen of both parties who support this committee should realize from the language of Justice Black, that four Justices are determined to nullify the efforts of the committee to require answers to its inquiries.

They know that Chief Justice Warren and Justices Black, Douglas, and Brennan, need only one recruit to thwart their investigations. Encouraging, however, is the fact that Justice Stewart, the most recently appointed Justice, voted with the new majority.

Power intoxicates men. Intoxication from alcohol is temporary; from power, it is often permanent.

The appellate power of the Supreme Court, under the Constitution is regulated by the Congress. The Court can exercise no power not given to it by Congress. Congress should act now to curb the Court.

#### BRAINWASHERS

One phase of the effort to brainwash the South, is the charge that our failure to cooperate wholeheartedly in the integration program in schools, will stop industrialists from coming south. That is absurd. In the 5 years that have elapsed since the segregation decision, the little State of South Carolina has had an increase in new, expanded industries amounting to \$639 million. There has been a similar increase in Georgia and other Southern States.

The political propagandists who try to frighten us do not control industry. In my extensive acquaintance with industrial leaders of the North, I have not found one who was deterred from moving South by this argument. In most cases, for them it is academic, because, like many of the Government officials in Washington, they send their children to private or church schools. However, if any industrialist does not want to move his business to South Carolina unless the people embrace integration, we would prefer he remain in his present location.

Another argument to frighten us is that segregation hurts our relations with the Arab nations. That is false propaganda. That argument was first made 5 or 6 years ago when the segregation cases were pending. Integration was ordered by the Court, and the Government resorted to enforcement with troops. Instead of improving, our relations with the Arab people have worsened.

#### ARAB TROUBLES

Our trouble with the Arab governments is due not to segregation but support of Israel. During the last war, those governments cooperated with the United States.

After the war the Democratic and Republican Parties, competing for the votes of Jewish citizens, gave all-out support to increasing the immigration of Jews to what is now Israel. We encouraged the establishment of Israel. We were the first to recognize the new state. That support brought to an end our cordial relations with the Arabs.

There is little hope of reconciling the Jews and Arabs. Pride of race and religion is involved. The Arab governments do not allow a Jew to enter their countries except temporarily, to visit relatives. The Jews have been persecuted for centuries, but by their courage and perseverance they have preserved the integrity of their race. Their people do not marry Arabs. The Jews and Arabs provide the outstanding examples of segregation.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 26, 1959  
For actions of June 25, 1959  
86th-1st, No. 106

Acreage allotments.....	24
Adjournment.....	12
Agricultural	
appropriations....	3,11,26
Alaska.....	25
Appropriations	
.....	3,11,20,26,32
Banking.....	30
Budget.....	6,18
Civil defense.....	20
Claims.....	20
Contracts.....	27
Dairy.....	14
Farm labor.....	10
Farm program.....	19
Federal-State	
relations.....	8,17
Food for peace.....	7
Foreign aid.....	4,32
Foreign currencies.....	4,9
Foreign trade.....	5
Forestry.....	13

Information.....	31
Land management.....	20
Legislative program.....	11
Minerals.....	13
Monopolies.....	29
Mutual security.....	4,32
Ocean freight.....	4
Outdoor recreation.....	20
Price supports..	1,22,23,24
Public debt.....	2
Public Law 480.....	4,9
Regulatory agencies.....	28
River basin.....	20
State laws.....	3,17
Surplus commodities.....	4
Technical cooperation....	4
Tobacco.....	1,22,23
Transportation.....	15,21
Wheat.....	1,24
Wilderness.....	16

HIGHLIGHTS: Senate received vetoes of wheat and tobacco bills. Sen. Cooper criticized veto of tobacco bill. Senate passed bill to increase public debt limit. Sen. Morton introduced and discussed tobacco price support bill.

## SENATE

1. ~~WHEAT; TOBACCO; PRICE SUPPORTS.~~ Received from the President veto message on S. 1968, the wheat bill (S. Doc. 33), and S. 1901, the tobacco bill (S. Doc. 32 p. 10876

~~Sen. Cooper criticized the veto of the tobacco bill and stated that he would consult with representatives of the "tobacco States in Congress" and others "before I make a decision as to the course of action we shall now take." Sen. Talmadge commended Sen. Cooper's statement. pp. 10820-21.~~
2. PUBLIC DEBT. Passed without amendment H. R. 7749, to increase the permanent ceiling on the public debt from \$283 billion to \$285 billion, and to increase the temporary ceiling from \$288 billion to \$295 billion (pp. 10811-13, 10878-9). The bill had been reported earlier in the day without amendment by the Finance Committee (S. Rept. 432) p. 10774. This bill will now be sent to the President.
3. AGRICULTURAL APPROPRIATION BILL, 1960. The "Daily Digest" states that conferees "continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H. R. 7175, fiscal 1960 appropriations for the Department of Agriculture, and related agencies, but did not conclude their work, and will meet again tomorrow." p. D532

4. MUTUAL SECURITY. As reported by the Foreign Relations Committee, S. 1451, to extend the mutual security program, includes provisions as follows: Requires that at least \$175,000,000 (same amount as in last year's Act) of mutual security funds be used to finance the export and sale for foreign currencies of surplus agricultural commodities; authorizes \$2,300,000 (last year's appropriation was \$2,100,000) for ocean freight to move supplies donated to and by American voluntary agencies; and authorizes \$179,500,000 for technical cooperation programs.

With regard to local currencies obtained from the sale of surplus commodities under Public Law 480, the committee report states:

"The committee is becoming increasingly concerned over the problems posed, both immediately and over the long term, by U. S. accumulation of large amounts of foreign currencies.\*\*\*

"The committee hopes the executive branch will continue its studies of this subject and submit specific recommendations for congressional action. In the meantime the committee takes this opportunity to record its view that rather too restricted use has been made of the authority of the President under section 104 of Public Law 480 to waive the requirement of appropriations in the case of foreign currencies used for economic development grants.\*\*\*

"Inability to utilize currencies in turn inhibits further sales under Public Law 480.\*\*\*

"All countries in which there are large accumulations of Public Law 480 currencies have great needs for investment in projects such as roads, schools, and health facilities. Although the emphasis of the program should continue to be on loans, the committee feels that the Presidential waiver authority should be used more liberally to make grants."

5. FOREIGN TRADE. Received from the President message transmitting the third annual report on the operation of the trade agreements program (S. Doc. 31). p. 10773
6. BUDGET. Sen. Byrd, Va., inserted a resolution from the Controllers Institute of America urging adherence to a balanced budget in 1960 and in future years of normal economic activity. p. 10774
7. FOOD FOR PEACE. Sen. Fulbright stated that the Senate Foreign Relations Committee will hold hearings on S. 1711, the food for peace bill, on July 7 and 8. p. 10777
8. FEDERAL-STATE RELATIONS. Sen. Dodd criticized H. R. 3, to establish rules of interpretation concerning the effect of acts of Congress on State laws, as passed by the House, as leading to "chaos in the field of Federal-State relationships," and stated that it is a "one-shot attempt to rewrite a century and a half of history." p. 10783
9. FOREIGN CURRENCIES. The Armed Services Committee reported an original bill S. 2280, to authorize construction at military installations, including the use of foreign currencies under Public Law 480 for foreign military housing construction (S. Rept. 434). p. 10883
- A similar bill, H. R. 5674, was made the unfinished business for consideration Mon., June 29. p. 10879



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STRENGTHENING OF WHEAT MARKETING QUOTA AND  
PRICE SUPPORT PROGRAM—VETO MESSAGE

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M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT APPROVAL THE BILL (S. 1968) ENTITLED "AN ACT TO  
AMEND THE AGRICULTURAL ACT OF 1949, AS AMENDED, THE  
AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED, AND  
PUBLIC LAW 74, 77TH CONGRESS, AS AMENDED"

---

JUNE 25, 1959.—Ordered to lie on the table and to be printed

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*To the Senate:*

I am returning herewith; without my approval, S. 1968, a bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

This bill seeks to enact temporary wheat legislation. It would require wheat producers to reduce their acreage by 25 percent and at the same time would provide for increases in price supports on wheat to 90 percent of parity.

On May 15 when I approved the joint resolution for extending the date for announcing the 1960 wheat acreage allotments and marketing quotas I said, "It is my hope that these additional 2 weeks will be used by the Congress to enact realistic and constructive—not stopgap—wheat legislation."

The proposed legislation embodied in H.R. 7246 is stopgap. It is not realistic. It is not constructive. It goes backward instead of forward. It is not in the interest of the wheat farmers of America.

The bill disregards the facts of modern agriculture. The history of acreage control programs—particularly in the case of wheat—

reveals that they just do not control production. Under acreage controls in the 1954-58 period, acreage was reduced by over 25 percent but at the same time yield per acre was increased by about 30 percent. The same situation would be likely to happen in 1960 and 1961. The poorest acres would be retired from production and all the modern technology would be poured onto the remainder.

Hence the bill would probably increase, and in any event would not substantially decrease, the cost of the present excessively expensive wheat program now running at approximately \$700 million a year.

In my January 29, 1959, special message on agriculture, I recommended that price supports be related to a percentage of the average market price during the immediately preceding years. In this message I also stated that if in spite of the tremendous increases in yields per acre the Congress still preferred to relate price support to existing standards then the Secretary should have discretion in establishing support levels in accordance with guidelines now in the law.

Contrary to the recommendations I made, this bill prescribes for a sick patient another dose of what caused his illness. The proposed return to the discredited high, rigid price supports would hasten the complete collapse of the entire wheat program.

While the hour is late I feel that this Congress still has the opportunity to adopt realistic wheat legislation beneficial to all segments of our economy.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 25, 1959.*

S. 1968

EIGHTY-SIXTH CONGRESS OF THE UNITED STATES OF AMERICA, AT THE FIRST SESSION, BEGUN AND HELD AT THE CITY OF WASHINGTON ON WEDNESDAY, THE SEVENTH DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND FIFTY-NINE

AN ACT To strengthen the wheat marketing quota and price support program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm, devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be



adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *Provided further*, (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed \$35,000, (2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support shall be made available to cooperators and noncooperators at 50 per centum of parity: *Provided, however*, That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is

normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any average that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) twelve acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.



SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c)(1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

(d) Section 336 is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this Act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat".

(e) Sections 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

SAM RAYBURN,  
*Speaker of the House of Representatives.*

RICHARD NIXON,  
*Vice President of the United States and President of the Senate.*

[Endorsement on back of bill:]

I certify that this Act originated in the Senate.

FELTON M. JOHNSTON, *Secretary.*







The Senator from South Dakota [Mr. CASE] and the Senator from Vermont [Mr. PROUTY] are absent on official business of the Committee on Public Works, attending the opening ceremonies of the St. Lawrence Seaway.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Alaska [Mr. GRUENING].

If present and voting, the Senator from Indiana would vote "nay," and the Senator from Alaska would vote "yea."

The result was announced—yeas 32, nays 47, as follows:

## YEAS—32

Anderson	Hart	Magnuson
Bartlett	Hartke	Mansfield
Byrd, W. Va.	Hayden	Monroney
Cannon	Hennings	Moss
Carroll	Jackson	Randolph
Clark	Johnston, S.C.	Sparkman
Dodd	Jordan	Symington
Eastland	Kefauver	Williams, N.J.
Engle	Kerr	Yarborough
Ervin	Long	Young, Ohio
Gore	McCarthy	

## NAYS—47

Allott	Fulbright	Neuberger
Beall	Goldwater	Pastore
Bennett	Hickenlooper	Proxmire
Bible	Hill	Robertson
Bridges	Hruska	Russell
Bush	Javits	Saltonstall
Butler	Johnson, Tex.	Schoeppel
Byrd, Va.	Keating	Scott
Case, N.J.	Kennedy	Smathers
Cooper	Kuchel	Smith
Cotton	Langer	Stennis
Curtis	Lausche	Talmadge
Dirksen	McClellan	Thurmond
Douglas	Martin	Williams, Del.
Ellender	Morton	Young, N. Dak.
Frear	Mundt	

## NOT VOTING—19

Aiken	Green	Murray
Capehart	Gruening	Muskie
Carlson	Holland	O'Mahoney
Case, S. Dak.	Humphrey	Prouty
Chavez	McGee	Wiley
Church	McNamara	
Dworshak	Morse	

So Mr. GORE's amendment, as modified, was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the Gore amendment, as modified, was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out line 15 and insert the following:

"(1) section 4061(b) (relating to automobile parts and accessories);".

On page 3, it is proposed to strike out lines 16 through 23.

Mr. HART. Mr. President, the effect of this amendment would be to remove the 3-percent excise tax on automobiles which was imposed at the time of the Korean war. It would not affect the basic 7-percent excise applicable on cars.

How much is involved? About \$390 million. I announced my intention, on behalf of myself and the senior Senator from Michigan [Mr. McNAMARA], to offer this amendment at the time we agreed to remove in its entirety the excise tax on passenger tickets. I offer it now for the same reasons as those which motivated the Senate in agreeing to the removal of the excise on passenger transportation.

I believe that the debate at that time covers the reasons for my amendment. We are not asking for the removal of the entire excise tax on automobiles. We are asking only that the 3-percent Korean excise tax be removed.

I shall not ask for a yea-and-nay vote. I hope that Senators who feel as I do are in strong voice.

The PRESIDING OFFICER. Does the Senator from Virginia desire to use any time?

Mr. BYRD of Virginia. Mr. President, I must oppose the amendment. I hope it will be defeated.

The PRESIDING OFFICER. Do both Senators yield back their time?

Mr. BYRD of Virginia. Mr. President, I yield back the remainder of my time.

Mr. HART. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. HART]. [Putting the question.]

Mr. HART. Mr. President, I ask for a division.

On a division the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time, on condition that the minority leader does likewise.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Wyoming [Mr. McGEE] and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. MORSE], and the Senator from Maine [Mr. MUSKIE] are absent on official business as members of the U.S. delegation on parliamentary conferences in Canada.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], and the Senator from Michigan [Mr. McNAMARA] are absent on official business attending the opening ceremonies of the St. Lawrence Seaway.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Indiana [Mr. CAPEHART], and the Senator from Kansas [Mr. CARLSON] are absent on official business as members of the U.S. delegation to conferences in Canada.

The Senator from South Dakota [Mr. CASE] and the Senator from Vermont [Mr. PROUTY] are absent on official business of the Committee on Public Works, attending the opening ceremonies of the St. Lawrence Seaway.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from South Dakota [Mr. CASE], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The result was announced—yeas 79, nays 0, as follows:

## YEAS—79

Allott	Goldwater	Monroney
Anderson	Gore	Morton
Bartlett	Hart	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Neuberger
Bible	Hennings	Pastore
Bridges	Hickenlooper	Proxmire
Bush	Hill	Randolph
Butler	Hruska	Robertson
Byrd, Va.	Jackson	Russell
Byrd, W. Va.	Javits	Saltonstall
Cannon	Johnson, Tex.	Schoeppel
Carroll	Johnston, S.C.	Scott
Case, N.J.	Jordan	Smathers
Clark	Keating	Smith
Cooper	Kefauver	Sparkman
Cotton	Kennedy	Stennis
Curtis	Kerr	Symington
Dirksen	Kuchel	Talmadge
Dodd	Langer	Thurmond
Douglas	Lausche	Williams, N.J.
Eastland	Long	Williams, Del.
Ellender	McCarthy	Yarborough
Engle	McClellan	Young, N. Dak.
Ervin	Magnuson	Young, Ohio
Frear	Mansfield	
Fulbright	Martin	

## NAYS—0

## NOT VOTING—19

Aiken	Green	Murray
Capehart	Gruening	Muskie
Carlson	Holland	O'Mahoney
Case, S. Dak.	Humphrey	Prouty
Chavez	McGee	Wiley
Church	McNamara	
Dworshak	Morse	



So the bill (H.R. 7523) was passed.

The title was amended so as to read: "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes."

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. BYRD of Virginia. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. LONG, Mr. WILLIAMS of Delaware, Mr. BENNETT, and Mr. BUTLER, conferees on the part of Senate.

Mr. BYRD of Virginia. Mr. President, I also ask that the bill be printed, showing the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AUTHORIZATION FOR VICE PRESIDENT OR PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND RESOLUTIONS DURING THE ADJOURNMENT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Vice President or the President pro tempore be authorized to sign, during the adjournment following today's session, enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled, and that the Secretary be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### VETO MESSAGES FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, the President of the United States has transmitted to the Senate today two veto messages—one on S. 1901, the so-called tobacco bill, and the other on S. 1968, the wheat bill.

I ask unanimous consent that the messages be considered to have been read, and that, with the accompanying bills, they be ordered to lie on the table and be printed as documents.

#### AMENDMENT OF AGRICULTURAL ACT OF 1949, TO STABILIZE AND PROTECT THE LEVEL OF SUPPORT FOR TOBACCO—VETO MESSAGE (S. DOC. NO. 32)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table, and to be printed:

#### To the Senate:

I return herewith without my approval S. 1901, "an act to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco." This bill fails by a wide margin to do what should be done if the best long-term interest of the Nation's tobacco farmers is to be safeguarded.

The bill's merits are few. For the first time in many years tobacco prices would be supported at less than 90 percent of parity—in the first year, for example, at 88 percent for Flue-cured tobacco and at 87 percent for burley. Supporting tobacco prices as provided in S. 1901, rather than at 90 percent of parity under a continuation of present law, would result in a saving to the U.S. Government in the first year of \$14 million.

The bill's demerits, however, are fundamental and far reaching. The bill takes a long step backward by resurrecting 90 percent of "old parity" as one basis for determining the support level for tobacco. The Congress itself discarded the "old parity" formula years ago. Because the bill actually can result in the support level being set at 90 percent of "old parity," the American tobacco farmer in such circumstances could very easily be misled into believing he would receive 90 percent of parity, as parity is computed for all other commodities.

But more importantly, I cannot approve a bill that holds out hope to the tobacco farmer that it will help him solve his problems, when such is not the case. U.S. growers of many types of tobacco are heavily dependent upon exports. Yet we have been fast losing our fair share of foreign markets. The deterioration in our tobacco sales abroad can be directly attributed to the high level of price supports that are required by existing law. And while prices have been supported at these high levels, and would continue to be under this bill, the law has required severe cuts in tobacco acreage in the United States at a time when acreage and production abroad have been expanding. The best that can be said about S. 1901 is that it might slow down the rate at which we are losing our fair share of foreign markets. It would not prevent further losses. It certainly will not regain any lost markets, because the level of price supports it requires would still be too high.

I believe the bill's demerits far outweigh its merits, and accordingly I am returning it without my approval.

The Congress has a pressing responsibility to enact realistic legislation designed to meet the problems of tobacco farmers—legislation such as that recommended in my special message of January 29, 1959.

DWIGHT D. EISENHOWER.  
THE WHITE HOUSE, June 25, 1959.

#### STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—VETO MESSAGE (S. DOC. NO. 33)

The PRESIDING OFFICER laid before the Senate the following message from

the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table, and to be printed:

#### To the Senate:

I am returning herewith, without my approval, S. 1968, a bill "to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended."

This bill seeks to enact temporary wheat legislation. It would require wheat producers to reduce their acreage by 25 percent and at the same time would provide for increases in price supports on wheat to 90 percent of parity.

On May 15 when I approved the joint resolution for extending the date for announcing the 1960 wheat acreage allotments and marketing quotas I said:

It is my hope that these additional 2 weeks will be used by the Congress to enact realistic and constructive—not stopgap—wheat legislation.

The proposed legislation embodied in H.R. 7246 is stopgap. It is not realistic. It is not constructive. It goes backward instead of forward. It is not in the interest of the wheat farmers of America.

The bill disregards the facts of modern agriculture. The history of acreage control programs—particularly in the case of wheat—reveals that they just do not control production. Under acreage controls in the 1954-58 period, acreage was reduced by over 25 percent but at the same time yield per acre was increased by about 30 percent. The same situation would be likely to happen in 1960 and 1961. The poorest acres would be retired from production and all the modern technology would be poured onto the remainder.

Hence the bill would probably increase, and in any event would not substantially decrease, the cost of the present excessively expensive wheat program now running at approximately \$700 million a year.

In my January 29, 1959, special message on agriculture, I recommended that price supports be related to a percentage of the average market price during the immediately preceding years. In this message I also stated that if in spite of the tremendous increases in yields per acre the Congress still preferred to relate price support to existing standards then the Secretary should have discretion in establishing support levels in accordance with guidelines now in the law.

Contrary to the recommendations I made, this bill prescribes for a sick patient another dose of what caused his illness. The proposed return to the discredited high, rigid price supports would hasten the complete collapse of the entire wheat program.

While the hour is late I feel that this Congress still has the opportunity to adopt realistic wheat legislation beneficial to all segments of our economy.

DWIGHT D. EISENHOWER.  
THE WHITE HOUSE, June 25, 1959.



June 25, 1959

CONFIDENTIAL; To be held in STRICT CONFIDENCE and no portion, synopsis or intimation to be given out or published until the President's Message has been delivered to the Senate. Extreme care must therefore be exercised to avoid premature publication.

Anne Wheaton, Acting Press Secretary to the President

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THE WHITE HOUSE

TO THE SENATE:

I am returning herewith, without my approval, S. 1968, a bill "To amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, Seventy-seventh Congress, as amended."

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Hence the bill would probably increase, and in any event would not substantially decrease, the cost of the present excessively expensive wheat program now running at approximately \$700 million a year.

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DWIGHT D. EISENHOWER

THE WHITE HOUSE,

June 25, 1959.

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